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8NS-104-94-077, Miscellaneous
Correspondence & Memos, 1897-1994

Mr. Schell's Testimony, Mr. Mowson's Testimony, Letters pertaining to: Approx 1924

MR. SCHELL'S TESTIMONY.

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Mr. Downer:

Mr. Schell -

Mr. Schell:

Mr. Downer -

Mr. Downer:

There has been a very serious charge made against you and I have called you in here to see what you have to say about it.

Mr. Schell:

I have nothing to say, Mr. Downer, except straight truth.

Mr. Downer:

Wait until I get through with what I have to say and you can make whatever statement you have to make. Whatever you say will be taken down by my Secretary here and I should like to have you speak slow so that she can take it down as you say it.

The charge has been made by Mr. Morrison, Foreman of the Ingot Melting Room, and is in substance this:- On last Thursday when there was a delivery of clippings and chips and little pieces of gold returned by the Coiner of course by the Transfer Weigh Room., Mr. Morrison states positively that he saw you reach into the box and take therefrom a piece of metal. He saw it in your fingers, these two fingers here (indicating index and middle fingers). He thinks it was an imperfect blank. He saw you put it into the pocket of your apron. He then, after some little consideration, came back into the Make Up Room and asked Mr. Pughe to re-weigh that draft, and states that while Mr. Pughe was getting ready to do so, or at least while he was engaged with the scales, you came up to the box and put your hand into the box, and that he heard a piece drop from your hand into the ingot box - that he then told Mr. Pughe that it was all right, that it was not necessary to re-weigh the draft.

That is the substance of what Mr. Morrison stated to me and to these other people who are present here. You are asked to come in here so that you may make whatever statement you may desire.

I will say in addition to what I have already said in regard to what Mr. Morrison stated, that in many important particulars this charge is substantiated by the testimony of Mr. Pughe which was had here before lunch.

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Mr. Schell:-

Well, I can only state, Gentlemen, that I took no coins, or blanks, or anything out of the box. I pulled it out into the Melting Room as is customary, and had gone over and picked up the paper to finish reading a little article, and Frank spoke to me and asked me if I noticed whether Mr. Whitney had the balance weight on the scales, that is for the pan, and I told him I didn't know. Just about that time Mr. Morrison brought the truck of metal back into the room. Naturally supposing that he wanted to re-weigh it I took hold of the box of blanks intending to lift them out of the clipping box to weigh them. Then that is as far as I can go. I supposed he wanted to weigh them at once and took hold commencing to help do it. The idea of my caring for a piece of that kind was so darn preposterous. Now, Mr. Downer, I can not think of anything more to say. -----I took hold of that box by the handles and started to lift it out, but before I could take it out, or get a hold of it, Mr. Morrison said to Mr. Pughe, "that will do" or something of the kind.

Mr. Downer:

What occurred after that?

Mr. Schell:

Mr. Morrison spoke to me about it and it seemed so folly and so foolish to me that I didn't give it any thought after that - took it as a matter of course. I did not take any piece out of the box or put any piece back or anything of that kind.

Mr. Downer:

Is that the last thought you have given to the matter?

Mr. Schell:

I expected to have Mr. Milsom speak to me of it because I naturally supposed Mr. Morrison would speak to him about it.

-----Mr. Downer:

Was Mr. Pughe there when Mr. Morrison made this accusation?

Mr. Schell:

Yes sir, they were together - they were sitting on the desk right by me.

Mr. Downer:

Have you said anything about it to Mr. Pughe since? Ans. Not a word sir. Q. Have you said anything about it to Mr. Morrison since? Ans. Not a word sir.

Mr. Downer:

Is that all you have to say about the occurrence?

Mr. Schell:

I don't know what else I could say, Mr. Downer, that is all there is to it. I can only state emphatically and positively, under any circumstances, that I took nothing out of the box, put nothing in the box. I hurried to re-weigh the work that it might go back into the Melting room, Mr. Pughe having asked the question if I had noticed whether the balance weight was on.

Mr. Downer:

Now Mr. Schell you make the statement that you have just made in relation to this occurrence knowing that I have stated to you that Mr. Morrison has testified explicitly, unqualifiedly, so that there could be no possible misunderstanding about it, that he saw you take a piece of metal from that box at the door of the Ingot Melting Room, saw you put that into the pocket of your apron, and when the truck having been brought back was in front of the scales there (that is the Melter and Refiner's scales) for the purpose of being re-weighed - saw you again come up to that box and put your hand in it and heard the metal strike with the other metal in the box. ?

Mr. Schell:

The small box was in the long clippings box. I reached in the long clippings box to take out the smaller box with the scraps to weigh. I can not think of any more than that. That was my movements there. I took hold of the small box intending to dump it into the pan to re-weigh it. I think that's about everything Mr. Downer that I can say about it. Whether I put anything in my apron or not - my pipe or rubber cigar holder - after coming out of the room, I don't know. But, I do know most assuredly that I put no blank in the pocket of my apron, or no piece of blank, nor anything out of that box, nor did I put anything back into it.

Mr. Downer:

Then if I understand your answer to my question - you fully deny-
---(interrupted)

Mr. Schell:

Mr. Downer, if there was any way to emphasize my denial, I want to be told what it is. I want to make it as firm and as strong as possible.

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Mr. Milsom:

Mr. Schell - when you reached the door of the Ingot Melting Room for the purpose of taking in the truck containing the clippings you sent Mr. ---Who was assisting at that time with the truck?

Mr. Schell:

One of the Spencers I think - one of the Spencer boys.

-----Mr. Milsom:

Was it Joe Spencer? Ans. Yes- I think so.

Mr. Milsom:

Did you send him back when you got to the door of the Ingot Room? to get another truck?

Mr. Schell:

I told him to take a box from the rack and put on a truck. There was one standing on end that needed repairing, and I didn't want him to use it. Thinking he would take it I spoke to him to take one of the other boxes on the pile up there and put on the truck- not the ones on the floor.

Mr. Milsom:

At that time did you turn back the handle of the truck that you were pulling against the box that was on the truck?

Mr. Schell:

I dont know whether I did or not. If the door was closed-----

Mr. Milsom:

The door was closed.

Mr. Schell: continuing-

Then I certainly put the handle back to open the door.

Mr. Milsom:

Precisely - do you remember which hand you used in reaching to open the door? Could you say which hand it was?

Mr. Schell:

No. I dont know that I could. I dont know which way I was facing, but naturally would suppose I would take my left hand if I was pullin the truck out with my right, but I wouldn't swear, I couldn't state which hand I used, but naturally it would be the left hand, pulling the truck with my right.

Mr. Milsom:

It might have been your right hand that you opened the door with. If you were pulling the truck with your left hand as you came up to the door of the Ingot Melting Room, and put back the handle of the truck, would it be natural for you to reach out with your right hand to pull the door open?

Mr. Schell:

If I was pulling the truck with my left hand.

Mr. Milsom:

Why did you tell Spencer to get a box and go back for another truck?

Mr. Schell:

We had to get another box. I had discovered that on one of them the soldering had broken up the side. We had to set that to one side that it might be taken up stairs to be repaired. I was afraid that Mr. Spencer would put that box on the truck that was standing by it on its end. So I wanted one taken down from the side of the wall.

Mr. Milsom:

Is it customary for Mr. Spencer, or the person who is helping you, to take the boxes back to receive transfers from the transfer scale? or is that a duty that you usually perform?

Mr. Schell:

Why they generally help us get those big boxes down. If they dont Frank always does if they are piled over the second or third high.

Mr. Milsom:

When you brought the box on the truck back into the Make Up Room for re-weighing and reached into the Clippings Box to take out the smaller box containing the imperfect coins and scraps, what was said and by whom at that time that caused you to stop?

Mr. Schell:

Mr. Morrison said - "Never mind" or something like that.

Mr. Milsom.

Was that all he said?

Mr. Schell:

Thats all I can recall he said, "it aint necessary" or something like that. I dont remember or recall any exact words that was said in regard to it any more than we would not weight it.

Mr. Milsom:

Was this said to you at that time by Mr. Morrison? - "Pete I saw you do it, and I dont care to have them re-weighed now, you have put it back," or words to that effect?

Mr. Schell:

Most assuredly not - Mr. Milsom. He never used any such expression to me. I certainly would have heard it. My hearing is good if my eye isn't. He certainly never made any such remark.

Mr. Milsom.

If the third party was present at that time and corroborated Mr. Morrison's statement with reference to the last question would you still deny that it was said?

Mr. Schell:

Mr. Schell:

I would have to deny it Mr. Milsom, not catching or hearing any such remark any more than "Never mind, we will not weigh it." ---I want to state to you people that I didn't hear Mr. Morrison say (what was it you said?) "Never mind Pete, I don't want it re-weighed? - In fact I don't know that I was especially listening. He said not to weigh it and I stopped.

Mr. Milsom:

When Mr. Morrison and Mr. Pughe came to you and accused you first of taking out the blank, a \$20 gold blank, and then returning it,

Mr. Schell: did Mr. Morrison or Mr. Pughe at that time refer to having seen anything of a like nature with reference to you heretofore?

Mr. Milsom: Morrison did all the talking and he said something about a year or more ago he had seen something of the kind.

Mr. Milsom:

What was it?

Mr. Schell:

Well, now I can't remember. I didn't pay any more than ordinary attention to it because I knew that there was positively no grounds for any such accusation.

Mr. Milsom:

Did he say anything in reference to an ingot top referring to what he thought he had seen about a year ago?

Mr. Schell:

Now that you recall it I think he did say something about an ingot top.

Mr. Milsom:

What did he say?

Mr. Schell:

Why, he said that about a year or more ago he thought he saw the same party----

Mr. Milsom:

Well - who?

Mr. Schell:

Me (now that you recall it I remember) take an ingot top - over a year ago. That is all.

Mr. Milsom:

Did you deny both accusations?

Mr. Schell:

I most certainly did.

Mr. Milsom:

Did you also say as a part of your denial that "even if it were true you would deny it?"

Mr. Schell:

I don't think I used any such expression as that Mr. Milsom. I certainly denied it.

Mr. Milsom:

You would not say positively that you did not say it?

Mr. Schell:

I most positively say that I would not say that any such thing was true because such a thing didn't occur to me.

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Mr. Downer:

Suppose, Mr. Schell, that Mr. Morrison said in that conversation that you said "you would deny it even if it were true," and suppose Mr. Morrison's statement in reference to that is corroborated by Mr. Pughe?

Mr. Schell:

I would still deny it Mr. Downer. I say I said no such thing, -- that I would deny it if it was true (if that is what you said.) I simply want to state that I deny making any such remark, to the effect that I would deny it if it was true.

Mr. Milsom:

Have you ever had any trouble of any kind with either Mr. Morrison or Mr. Pughe?

Mr. Schell:

Never to my knowledge. I have always looked upon them both with especial favor and thought they did me.

Mr. Downer:

Mr. Downer:

Then there can not be in your mind with reference to either one of those gentlemen any idea that they would manufacture a story of this kind against you to injure you.

Mr. Schell:

I dont know of any reason in the world why they should, Mr. Downer. In fact I never would think that they would. I should certainly feel very much astonished if I would be convneced that either Mr. Pughe or Mr. Morrison would do me an injury, or try to do me an injury, as I have always looked upon them both as friendly towards me.

Mr. Downer:

When Mr. Morrison brought that truck load back into the Make Up Room what caused you to think that he brought it back for the purpose of having it re-weighed?

Mr. Schell:

Because Mr. Pughe had asked me if I had noticed that Mr. Whitney had the balance weight on the scales.

Mr. Downer:

Had he asked you prior to this occurrence?

Mr. Schell:

Yes, sir, prior to this occurrence, between the vault and the scales.

Mr. Downer:

Did you hear Mr. Morrison say that he wanted the draft re-weighed?

Mr. Schell:

No sir:

Mr. Downer:

You did not hear that? Ans. No sir:

Mr. Schell :

Let me state my case. (granted)

Mr. Pughe called to me and asked me if I knew whether Mr. Whitney had the balance weight on the scales. That was before the metal was brought back into the room. Does that answer the question?

Mr. Downer:

Yes, I think so.

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Mr. Leech:

Mr. Scehll, when you were pulling that truck with this box from the Make Up Room to the Melting Room and stopped to open the door, at that time had you any metal in your hand (when you started to pull the thing in) out of the box?

Mr. Schell:

No sir, no metal in my hand. I might have had my gloves in my hand, or my pipe, or rubber cigar holder, but no metal.

Mr. Leech:

Do you wear any gold rings on your fingers? Anything that could be mistaken for a blank?

Mr. Schell:

Yes, I have a ring, one with a Colorado stone in it, that I wear very frequently.

Mr. Leech:

You were not carrying a piece of copper in your hand at that time?

Mr. Schell:

No sir, no metal in my hand.

Mr. Leech

Was there any occasion for your putting your hand in your pocket that you can remember of?

Mr. Schell:

No. I cant think of any occasion, unless I had my pipe in my hand, as I say, or my gloves. I can not think of anything.

Mr. Leech:

What was Spenzer doing in the way of helping take that draft in there or was he helping?

Mr. Schell:

We always have help from the Melting Room to help take transfers.

Schell:

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Mr. Leech:

This is what I am trying to get at -- in taking the draft (you were taking it to the Ingot Room) was he pushing or helping you in any way?

Mr. Schell:

I think that he was.

Mr. Leech:

He was pushing?

Mr. Schell:

He was helping me to load these clippings-- these blanks.

Mr. Leech:

I wanted to find out if he was giving you any assistance -- if he was assisting you from the rear -- with that melt -- taking it in. Why would you dispense with his services right at the door where the incline is?

Mr. Schell:

I don't have assistance one load in twenty -- unless very large.

Mr. Leech:

I thought you just said you generally had assistance.

Mr. Schell:

Yes sir, around the scales -- to take the clippings off the scales and such things as that. If we have two big boxes of clippings there might somebody push it back in, but one box -- or three or four melts -- we put it out ourselves.

Mr. Leech:

Then you don't have any distinct recollection of having been assisted by Mr. Spencer in taking this into the ingot room?

Mr. Schell:

I don't remember Mr. Spencer helping me further than to help unload the scales, as it was a light draft. I started taking it into the Melting Room, and requiring another box I told him not to take the one standing on end, but get one of the ones in the back.

Mr. Leech:

Well-- was he actually following you into the Melting Room-- was he leaving the Make Up Room at that time to go back to his work or help you through the door?

Mr. Schell:

No sir, we were to take more clippings for the next day. He was going back into the ingot room as I remember it now.

Mr. Downer:

Now Mr. Schell, as I understand it, when this accusation was made against you, you were sitting at the desk, after this had all occurred and both Mr. Morrison and Mr. Pughe were there at that time. You were the only three there at that time?

Mr. Schell:

Yes, sir that was all. When this accusation was made against you in the presence of Mr. Pughe did you express or feel any indignation at all?

Mr. Schell.

I certainly did.

Mr. Downer:

When the charge was made by Mr. Morrison that on a former occasion he saw you take a piece of metal -- did you express any indignation at that?

Mr. Schell:

I certainly did at any such charge, and I expected to be called before Mr. Milsom the same day if he was in the office, but he wasn't. That is why I waited Mr. Downer.

Mr. Downer:

Your relations with Mr. Pughe are friendly? Ans. Yes sir. Q. You are with him a good deal of the time during business hours? Ans. Yes sir. You see a good deal of him outside of business hours do you not? Ans. Yes sir. Ans since that occurrence on Thursday when a most serious charge was made against you by Mr. Morrison, altho' you have been with Mr. Pughe, you have made no reference to it have you?

Mr. Schell:

I have not nor did I intend to until I had been spoken to by Mr. Milsom or the authorities here.

Mr. Downer:

Now, Mr. Schell - here is the situation about this.

A most serious charge is made against you by Mr. Morrison, not something from hear say, but he states positively and unequivocally that he saw you take from that box a piece of metal. He states positively and emphatically and explicitly without any equivocation at all that he saw that piece of metal between your two fingers (illustrating) and that he saw you put it into the pocket of your apron.

He then goes on to state the occurrence - how the metal was brought back into the Make Up Room for the purpose of re-weighing. The purpose of that in his mind is entirely clear. He wanted to show by the weight that there was something missing there. He then states that before that object could be accomplished (he does not state this from hearsay) he states he saw it with his own eyes, he states it emphatically and unequivocally, that he saw you put your hand down into the box, that he heard the blank, or piece of metal or whatever it was, drop from your hand into the other metal that was in that box, that he then said to you - "it is all right, Pete, I saw it."

Now for all those things that I have stated I have Mr. Morrison's solemn statement. I also have his solemn statement that on a prior occasion he saw you take a top, containing he guessed, about three ounces. I want to state again that he don't state that he thinks you did this thing, but that he knows you did these things because he saw you do these things.

Now what presumption does that naturally raise in the minds of your Chief, Mr. Milsom, and myself, who are here charged with the safe custody of every penny weight of metal that belongs to the United States Government. We have sworn to safe guard that, and we have here the statement of a fellow workman of yours, an employe of this institution, who, from all that we can gather, both from himself and from you, has absolutely no reason to desire to do you an injury. We have his statement corroborated in many important particulars by Mr. Pughe, another fellow employe, and one who states, and whom you state, has no reason to do you any injury.

I am just stating this to you so that you may see what the natural presumption is in our minds with reference to these matters.

You have been called in here to give you every reasonable chance to refute the accusations that are thus made against you. You have denied emphatically every essential point in the charges, so that we have on the one hand the positive, unequivocal, emphatic statement of Mr. Morrison that you did these things (repeated). We have it corroborated (I am repeating so as to make it plain to you - I want to make it absolutely clear to you just what position we find ourselves in reference to you and this charge) we have it corroborated in many important particulars by Mr. Pughe.

Over against this we have your positive denial.

Now, I want to ask you, under those circumstances, what must we, or any other two men who want to be absolutely just - think?

Mr. Schell:

Gentlemen, I can not make my denial of those charges too strong. You state that Mr. Morrison states emphatically, without doubt that I did do these things. I state just as strongly that I did not do these things, and I have told just as near as I can just how everything was said and done that morning.

Mr. Downer:

Mr. Schell, you have not answered my question.

Mr. Schell:

How do you mean answer my question, Mr. Downer - for me to tell you gentlemen what to do?

Mr. Downer:

No - I asked you what, in your opinion, in view of the circumstances which I have stated - must we think?

Mr. Schell:

Well thats a rather delicate question for me to answer Mr. Downer. I deny the charges emphatically. You say that the man that makes them does it just as emphatically that I did do these things that I deny.

Mr. Downer:

Now Mr. Schell, in view of the gravity of these charges as considered by us, I am going to ask you some very personal questions. With these serious charges as my warrant for it, I do not need to assure you that, so far as Mr. Milson and myself are concerned, we are absolutely determined that absolute justice shall be done to you in this matter. We have shown, both of us, our disposition towards you, I think. With as a prelude I am going to ask you a number of questions, to which I shall expect true answers.

Mr. Schell - how long have you been in the Government Service?

Mr. Schell :

Since 1875.

Mr. Downer:

Have you been continuously employed from the time of your first employment in 1875? How long did you continue without interruption in the employe of the Government?

Mr. Schell:

I think it was up to 1885 or 6, somewhere about there.

Mr. Downer:

That is approximately ? Ans. yes. Q. What caused you to leave the Government employe at or about 1885?

Mr. Schell:

Something like 30 or 40 odd men were let out at one time at the San Francisco Mint.

Mr. Downer:

Who was Superintendent of the San Francisco Mint at that time?

Mr. Schell:

Now I think it was Mr. Burchard.

Mr. Downer:

That was the Superintendent? Ans. Yes, I think his name was Burchard.

When did you again enter? Ans. Under Mr. Daggett.

Mr. Downer:

What year was that?

Mr. Schell.

About 1893 I think - somewhere along there. 1893 or 4, while Governor Daggett was Superintendent.

Mr. Downer:

What was your employment from 1885 or whatever time you were out of the Mint service up to the time you returned in 1893.

Mr. Schell:

Part of the time I was a traveling man (or salesman I guess you call it) on the road, part of the time City salesman in San Francisco and in the dry dock business with my brother-in-law.

Mr. Downer:

After you returned to the Mint Service in 1893 how long were you employed in the Mint?

Mr. Schell:

Until I came here? Ans. Yes.

Until the first of September, and I came here on the 4th of Nov.

Mr. Downer:

What year was it you came here?

Mr. Schell:

Two years ago last November. Q. 1905. Ans. Yes.

Mr. Downer:

Did you resign from your place in the S. F. Mint? in 1905. Ans.

No. sir. Q. Were you on furlough?

Mr. Schell:

Well now I dont know Mr. Downer whether I was on furlough or not. I was out with a number of others expecting to go back when the work resumed.

Mr. Downer:

Mr. Frank A. Leach, who is now Director of the Mint was Superintendent of the San Francisco Mint at that time? Ans. Yes sir.

Mr. Downer:

Did you voluntarily cease your work? There must have been some action what action was taken?

Mr. Schell:

There were, I suppose, as many as 35 or 36 laid off, quite a number of them, more than that maybe, taking ladies and all together.

Mr. Downer:

Did you expect to go back there?

Mr. Schell:

When the work was resumed. I don't know any reasons why I shouldn't.

Mr. Downer:

Now Mr. Schell, while you were employed in the San Francisco Mint, was there at any time any question raised by anybody as to your honesty and integrity?

Mr. Schell:

Now as to my honesty and integrity there was one raised in regard to a scarf pin that a number of people were asked about - I among the rest - because my locker was right immediately next this man's locker, and we all undressed and dressed in the same little corner under the steps, but I never considered that I was suspicioned. I was simply asked as to who was around the lockers, and who visited and dressed and undressed among them. That is to me personally and for my own individual self - no sir. That matter was with everybody in that corner of the room.

Mr. Downer:

Were you at that time questioned in regard to the matter?

Mr. Schell:

As to whom I had seen around there and who dressed and undressed around those steps.

Mr. Downer:

Who questioned you?

Mr. Schell.

Mr. Leach I thin. I know it was Mr. Leach.

Mr. Downer:

You were called to the officer were you?

Mr. Schell:

Yes sir there were a dozen or more called.

Mr. Downer:

Can you tell me Mr. Schell, approximately the date of that occurrence

Mr. Schell:

No sir - I can not. I have no way, Mr. Downer, of knowing anything about it, but I will explain to Mr. Leech, and he will understand why I say I was called in with the others. (To Mr. Leech) You remember the location of the Cutting & Annealing Rooms? (Mr. Leech ans. yes) and at the foot of those stairs were some lockers - do you remember those Mr. Leech? (Mr. L.- No I don't remember the lockers.)

Mr. Downer:

Now Mr. Schell I want you to fix approximately the date of that occurrence.

Mr. Schell.

Well I don't know what to go on Mr. Downer to fix it. It did not impress me with anything to remember it from. It appeared to me as a matter of ---Well, I don't know what to liken it to---There was no occasion to impress me with it.

Mr. Downer:

Mr. Schell, you seem to be a pretty hard man to impress with matters of that kind. A little accusation of that character seems to run off your back like water off a duck. It seems to me a matter of that kind, and this occurrence here the other day where a serious accusation of that character is made would make some sort of an impression on an ordinary man.

Mr. Schell:

The one made the other day has made a lasting impression that I will always remember and never forget. I took that as a personal matter, the other not at all. I kept quiet about it until Mr. Milsom, my Superior Officer was notified of it, naturally knowing it would go to Mr. Downer. The impression is one that will last forever.

- Mr. Downer:
Now, Mr. Schell, as to the occurrence at San Francisco, you, on that occasion, were called to Mr. Leache's office were you not?
- Mr. Schell:
Yes sir.
- Mr. Downer:
You were there with Mr. Leach alone?
- Mr. Schell:
I think there was nobody else in the room, Mr. Downer - Mr. Day the Chief Clerk might have been there, and while we are at it let me state another case - At one time there all the locker keys of the entire building, each and every man's, were taken up, but that made no impression on me, because it wasn't me any more than any man in the building. Somebody had been taking money from the lockers, but I was never called into the office on it.
- Mr. Downer:
On the occasion of your being called into the office, Mr. Leache's office in San Francisco, were there any officers in the building at that time.
- Mr. Schell:
How do you mean officers, Mr. Downer?
- Mr. Downer:
I mean detectives.
- Mr. Schell:
No - not so far as I know.
- Mr. Downer:
What did Mr. Leach ask you?
- Mr. Schell:
Well, now as nearly as I can remember he asked who I had seen around the lockers that day, whom I had seen when changing my clothes, if I had been down stairs in the mean time - questions along that line.
- Mr. Downer:
What, do you take it, was the reason for these questions?
- Mr. Schell:
He told me the reasons for these questions - that someone had lost a pin out of his locker. I was questioned same as everybody dressing in this same circle of lockers, as to who was around, but there was no such accusation as "Mr. Schell, you took the man's pin."
- Mr. Downer:
Were these people that were called in searched at that time? Ans.
No sir. Q. You were not. Ans. No sir.
- Mr. Downer:
What particular work were you doing in the Mint at that time?
- Mr. Schell:
Well, Mr. Downer, I couldn't tell you what room I was in that day, or that week. I worked in each and every room under the Coiner, in the absence of anybody when they needed help. I was considered proficient in my line of the Coiner's work.
- Mr. Downer:
You were changed about considerably?
- Mr. Schell:
When I was detailed in the Press Room, I was frequently called out to act as Weigher in the Cutting Room and in the Rolling Room and to work in any of the rooms, but my detail was in the press room for a very long time. The last time I was there for a number of years. If a weigher was shy in the Cutting Room I would go out there and weigh.
- Mr. Downer:
What did you do right away after this? what particular work did you perform?
- Mr. Schell:
It is impossible to state what special room I was in any special time or occasion, as I was frequently detailed from the Press Room into the other Rooms.
- Mr. Downer:
After this occurrence did your general occupation continue as it had theretofore, being first one place, then another?
- Mr. Schell:

Mr. Downer:

Was any suspicion ever directed against you on any occasion while you were in the San Francisco Mint? Answer yes or no.

Mr. Schell:

No sir:

Mr. Downer:

I want to know whether you were ever suspicioned for a dishonest or dishonorable act while in the San Francisco Mint, by the Coiner, the Superintendent, the Chief Clerk, the Captain of the Watch, or anybody in authority there. Answer yes or no. Ans. No.

Mr. Downer:

Were you ever accused of any dishonest act while you were there?

Mr. Schell:

No sir, I was never directly accused of any dishonest act.

Mr. Downer:

Were you ever accused indirectly?

Mr. Schell:

Well now there when my keys were taken up with all the rest, that was indirect one. When we were called up after the loss of this pin that was indirect - I imagine it was indirectly because we were questioned as to the location of these lockers, who had these lockers and who dressed and undressed in the corner.

Mr. Downer:

As I told you, Mr. Schell, in view of the gravity and directness of the charge that has been made against you by Mr. Morrison, I feel it my duty to ask you some very direct, and what, under ordinary circumstances might be considered personal, perhaps. With that explanation I go ahead.

Mr. Downer:

When you came here, Mr. Schell, in the fall of 1905, did you have any considerable amount of money?

Mr. Schell:

Yes sir, I had some money. What do you call a considerable amount of money, Mr. Downer?

Mr. Downer:

You did not answer the question. Answer the question.

Mr. Schell:

Well, I suppose I could command two or three thousand dollars. Yes sir.

Mr. Downer:

Do you recall that about that time I had a communication from some one in San Francisco concerning a bill which you owed them? Ans. Yes sir. Do you recall what you said concerning that bill at the time? Ans. I do sir. Q. What was that? Ans. That I didn't have the money then. Q. Did you say anything about paying it just as soon as you could? Ans. Yes sir: Q. Have you paid it since? Ans. No sir. Q. Why haven't you paid it? Ans. It was only security for the party who originally owed the bill.

Mr. Leech:

It was a judgement, as I recollect, against Mt. Schell.

Mr. Schell.

Yes, sir, on an endorsed note.

Mr. Downer:

Was it your purpose to pay it at the time I talked with you about it? Ans. If the other party did not, yes sir. It was my purpose. Q. Has the other party paid it? Ans. I have never heard anything in regard to it since the day you spoke to me here. I wrote to the party and told him what had been done, and he wrote to me saying that he would attend to it, as for my telling him it would jeopardize my position.

Mr. Milsom.

You say that when you came here you could command two or three thousand dollars. How did you come to inform Mr. Downer that you could command that much?

Mr. Schell.

I did not have the cash then.

Testimony of Mr. Morrison:

* * * * *

Mr. Downer:

Dick, Mr. Milsom just told me of an occurrence that took place in the Make Up Room last Thursday. I wish you would state in your own words just exactly what occurred there on that occasion, making your statement just as full and complete as you can in connection with the case.

Dick:

Well, we had just received a transfer of clippings from the Coining Department. With them there were some ends and pieces sorted out from the assorted blanks. Those blanks were put in the bottom of a pan to be weighed.

Mr. Leech:

These were gold?

Dick:

Yes sir, double eagles, and they were dumped in an ingot box and put on top of the clippings in the clippings box, and on a truck to be taken into the Melting Room.

Mr. Downer:

Can you tell about what hour this was?

Dick:

I would judge about 9 o'clock in the morning, I did not notice the time closely. -- I had one man with Mr. Schell to take those clippings into the Melting Room.

Mr. Downer:

Who was the man?

Mr. Morrison:

Joe Spencer. -- Schell was pulling the truck and Spencer was behind him. Schell turned to Spencer and told him to get another truck and another box for the balance of a transfer of clippings -- gold clippings, -- and as he did so he turned the corner in the Make Up Room as you go into the Melting Room, and as I saw my man go back I stepped in behind. I saw him turn the knob of the door with his left hand, put his right hand into the ingot box of imperfect blanks. He held between the last two fingers and palm of his hand while he wheeled the truck through the door and into the room (Meltg. Rm.)

Mr. Leech:

Was this one blank?

Mr. Morrison:

Yes sir.

Mr. Downer:

Could you see the blank in his hand?

Mr. Morrison:

Yes, I saw his fingers close on it, -- whether it was a complete 20 blank or not I don't know. When he turned to leave the room he slipped it into his apron pocket.

Mr. Downer:

He left you at the door did he?

Mr. Morrison:

Yes, he left me in the room -- I had gone in with him, that is, following him. -- I waited some few moments, wondering in my own mind what to do. I went back and asked Mr. Pughe, the Make Up man--
(interrupted.)

Mr. Downer:

Was Pughe there at this time.

Mr. Morrison:

He was in the Make Up Room. -- I asked Mr. Pughe for a re-weigh of the clippings which he had turned over to me without explaining to him why. I had the clippings brought into the room by the same man, Joe Spencer. I came in with him, and as they were hauled up in front of the scales to be re-weighed I watched Mr. Schell,

and saw him take something out of his pocket and put his hand inside of the clippings box, that is, inside the ingot box, and then saw him drop his gold blank.

Mr. Downer:

Did you hear it fall?

Mr. Morrison:

Yes, I saw him drop it.

Mr. Leech:

Could any one else see it? Was there any one else in the room?

Mr. Morrison:

Yes, Pughe, but he had his back turned. The instant I saw him do that I spoke to him saying " All right, Pete, I saw that; I dont care for a re-weigh." Mr. Pughe turned to me and asked me what the trouble was. I told him never mind the re-weighing. I then called him out and explained to him the reason for my actions. We decided to both together accuse the man, which we did, going back into the Make Up Room to do so. We got no satisfaction out of him.

Mr. Downer:

What did you say to Mr. Schell when you accused him?

Mr. Morrison:

Frank spoke to him and told him the reason I had asked for a re-weigh - that I thought he had one of the blanks from that weigh in his apron pocket. He slightly smiled and had little to say about it. Then I told him the exact circumstances before Frank.

Mr. Downer:

Was Spencer there? Ans. - No. Nobody else could have heard this?
Ans. No.

Mr. Morrison:

He tried to explain his actions in the changing back and forth of the clippings, saying that he had done nothing of the kind, that he was in a hurry to read the paper, and thought they must be weighed hurriedly. He made what we both considered a very weak denial, and he has said nothing further to either of us since about it.

Mr. ~~Downer~~ Leech.

He denied taking it?

Mr. Morrison:

Well, no, Mr. Leech. He seemed to treat it as a joke. He asked what object I would think he had in taking it after having been for 30 years in the Government Service. I told him I did not know what his object might be, but I told him that I knew that he knew that I saw it. He said, " I would deny that if it were so."

I also told him that that was not the first occurrence, that I had seen him do the same thing about a year ago as near as I could remember. That time I saw him get a top out of a similar box and on top of a lot of melts, but I was quite surprised at that and hardly willing to believe my own eyes, and I have spent the balance of time watching transfers without appearing to intrude, trying to catch him, and I had him and lost him.

Mr. ~~Bew~~ Leech:

That instance about the top; Did you speak to anybody else about that at the time.

Mr. Morrison:

No sir I did not; I knew it was a thing that would be hard to accuse anybody of. It was a thing I could not prove, and in fact this is the same.

Mr. Downer:

Are you certain he took that top, Dick?

Mr. Morrison:

I am now, positively. At that time I was somewhat doubtful, that is, I could not believe my own eyes.

Mr. Downer:

You dont believe that top went back? Ans. No.sir

Mr. Leech:

How much would that weigh, that top?

Mr. Morrison:

Pessi-- Probably three ounces.

Mr. Leech: Gold? Ans. Yes.

Mr.
Downer:

What further occurred in your conversation with Mr. Schell when Mr. Pughe was present as to the matter, and what did Mr. Schell, if anything, say further than you have already said? Ans. Nothing further. Q. Did you say anything further? Ans. No. Q. Did Mr. Pughe say anything further? Ans. No, I believe not.

Mr. Morrison:

He let me do the talking. He listened.

Mr. Downer:

What did you next do?

Mr. Morrison:

I went into the office and reported the matter to Mr. Milsom. Mr. Pughe came in about the same time, and I told him I was reporting to Mr. Milsom, and he gave his report to Mr. Milsom, both being in there together with Mr. Milsom.

Mr. Downer:

As far as you know, Dick, has Mr. Schell said anything to you or to anybody else? Ans. No sir.

Mr. Leech:

None of the men?

Mr. Morrison:

If he has they have said nothing to me. He has said nothing to me and Mr. Pughe tells me he has said nothing to him.

Mr. Downer:

Then, Dick, that statement you make covers every important point of the affair so far as you know? There is nothing further that would throw any light on this subject. Ans. No sir, nothing further

Mr. Downer:

Have you at any time heard any of the men raise any question as to the honesty or dishonesty of Mr. Schell?

Mr. Morrison:

No sir, none of the workmen, and not until after we had reported the matter when Mr. Milsom gave both Mr. Pughe and I a statement concerning some previous suspicion of Mr. Schell.

Mr. Pughe's Testimony.

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Mr. Downer:

Frank I wish you would state just what occurred in the Melting Room last Thursday, commencing from the time that Mr. Morrison asked you to re-weigh the load of clippings and pieces of coin, gold

Mr. Pughe:

Dick came back from the Melting Room and asked me if I would mind re-weighing the box of gold clippings which I had just sent out to the Melting Room. Schell was pulling the truck and Spencer - Joe Spencer was following behind the truck. Before they reached the door of the Melting Room Schell asked Spencer to get an empty clipping box for the next draft. When Dick asked me to re-weigh the first draft of clippings we were just taking the second draft from the transfer scales. As Schell and Spencer had finished removing the second draft from the scales to the empty clippings box, Dick brought the first box back from the Melting Rm. to the large scales of the Make Up Room.

Mr. Downer:

Right next the vault?

Mr. Pughe:

Yes. Just as they came in with the truck which was brought by Joe Spencer I turned to the scales to put the weights on. Before I reached the end of the scales where the weights are Morrison said "all right now Frank."

Mr. Downer:

During the time, or at the time, Mr. Morrison brought the truck back in front of those scales you state, where was Schell?

Mr. Pughe:

Schell was right in front of the scales as I remember, near the vault door. I think thats where he was.

Mr. Downer:

Do you know where he went from there? Ans. No I do not.

Q. You dont know where he was immediately prior to the time Mr. Morrison told you it was all right?

Mr. Pughe:

No - it was just before that I started to go around the scales and had to take two or three steps. Mr. Morrison called to me that it was all right, thats what he wanted, let it go now. I turned around to him and didn't understand the proceedings at all, and did not until a little bit after that. I followed him out to the Melting Room and he told me what he had seen.

Mr. Downer:

State just what he told you.

Mr.. Pughe:

He told me that as Mr. Schell was pulling the truck to the Melting Room he stopped to open the door. He threw the handle of the truck and reached his hand down into the ingot box which was setting inside of the Clippings box. In the ingot box there were several pieces of gold blanks and chips. He said he heard his hand rattle in the pieces there, and he saw him draw his hand away and hold two fingers like that (illustrating) and he went on into the Melting Room just a few steps and left the truck standing, started back, and put his hand to his apron pocket.

Then Mr. Morrison further said that after the box of clippings which had just been brought back into the Make Up Room (interrupted)

Mr. Milsom:

To be re-weighed at his request?

Mr. Pughe:

To be re-weighed at his request. - that before he could prevent him Schell had stepped up to the box because he understood that we were going to re-weigh them and put his hand down inside the clipping box and also into the ingot box which contained the gold blanks, and as he put his hand in there Mr. Morrison said he heard a piece of coin, or heard the blank, drop from his hand.

Just at that point I was going around the scales and he called to me.

Mr. Downer:

After Mr. Morrison had told you this as you stated, do you recall what was said then? You and Morrison were together now? Ans. Yes. As I understand it you were in the Melting Room? Ans. Yes, I followed him out.

Mr. Downer:

Mr. Schell being in the Make Up Room?

Mr. Pughe:

Yes. -- Mr. Morrison and I talked for a few minutes in regard to the matter, and, upon my suggestion I think it was, we thought we had better go in and bring the matter up to Mr. Schell. We did so.

Mr. Downer:

Now Mr. Pughe as nearly as you can state who spoke and what he said and how the matter was brought to Mr. Schell, as near as you can remember it of course.

Mr. Pughe:

When we reached Mr. Schell at his desk in the Make Up Room I said to him, I said "Pete, the reason Dick called for a re-weigh of that box of gold clippings was on account of a blank being taken from the box as it was taken into the Ingot Melting Room." Schell seemed slightly surprised, and asked me who it was that took the blank according to Mr. Morrison. I told him that Dick accused him of taking it, that he saw him reach into the box as he stopped to open the door. Then Schell kind of smiled and said "Why what are you talking about?" Then Dick explained to him fully just what he had seen and told him what he had done. Then Schell said, "why boy what do you think I have been in the service thirty years for to permit myself to do an act of that kind?" Then they had a rather spirited discussion, and just then some one else came into the Make Up Room and the discussion subsided, and I withdrew to draw this other party away, and Mr. Morrison and Mr. Schell continued for some five or ten minutes. I did not hear what was said after that only in snatches, and after that Mr. Morrison told me that while I was away he had accused Schell of doing that same thing about a year ago with a box of tops, having taken, as he thought a top from the box. He was also surprised, he said he could not believe his own eyes, but he thought about it, and had not mentioned it to any one until this thing occurred Thursday.

Since then Schell has said nothing to either Mr. Morrison or myself in regard to the matter, but Mr. Morrison and myself have discussed it several--once or twice.

Mr. Downer:

Mr. Schell has never referred to it? Ans. No. Q. You have been with him every day? Ans. Yes. Q. Not in any way? Ans. Not in any way. And yesterday Dick told me the same thing, that he had not said anything to him about it.

Mr. Downer:

Now, Mr. Pughe, did you hear at any time in ^{the} ~~your~~ talk between yourself and Morrison and Schell with reference to this transaction--did you at any time hear Mr. Schell say something like this in response to the charge "That if he had taken it he would not admit it?"

Mr. Pughe:

No I did not hear it.

Mr. Milsom:

What was Schell's attitude -- was he indignant, or what was his attitude at the time Dick accused him of it?

Mr. Pughe:

At first he seemed rather puzzled. Then he smiled, in fact kind of laughed, and tried to pass it off as being something absurd, and that Dick was certainly mistaken.

Mr. Milsom:

Did he seem at any time indignant about it?

Mr. Pughe:

Yes, he did, after they had discussed the matter for some little time. Just before this fourth party came into the room he seemed to be becoming indignant.

Mr. Downer:

This may be a pretty hard question to answer, but I think it will throw some light on the subject. I want to ask you what impression the attitude of Mr. Schell when confronted with this charge had on you as to whether he was guilty or innocent?

Mr. Pughe:

He impressed me at first as being very much puzzled and worried over the matter, but as the discussion continued he seemed to become much more calm and controlled.

Mr. Downer:

That does not quite answer my question. It is pretty hard Frank, I know that.

Mr. Pughe:

You want to know the impression he made on me by his attitude as to his innocence or guilt when confronted with this charge?

Mr. Downer:

Yes, when confronted with this charge. I regard that question as important from the fact that anybody who is actually present and hears the charge made and sees the attitude of the one charged, can much better form an opinion as to whether guilty or innocent.

Mr. Pughe:

His explanation from the beginning was not satisfactory to me to explain his actions according to Mr. Morrison's accusation.

Mr. Downer:

That's what I wanted to get at. After that as I understand it you and Mr. Morrison went and told Mr. Milsom.

Mr. Pughe:-

Yes Mr. Morrison went in and they were discussing it when I came into the office.

Mr. Leech:

I was going to suggest, Mr. Downer, to ask Frank if, prior to this occurrence, there has ever been a time when he had any reason whatever for questioning the honesty of Mr. Schell.

Mr. Pughe:

Never in the slightest. Never had the least suspicion, never in anything he has said, or anything he has done or in his actions.

Mr. Downer:

Are you familiar with Mr. Schell's mode of living?

Mr. Pughe:

I am somewhat familiar with it. I have become quite intimate with he and his wife and have been at their house quite often.

Mr. Downer:

Does he get along pretty well do you judge?

Mr. Pughe:

Yes, I think he does. I think Mrs. Schell also is quite an economical woman-- person.

Mr. Leech:

Just inform me Frank - has he any income outside of his salary?

Mr. Pughe:

I don't know of any Mr. Pughe- Leech. I do know of some investment that we have made together in the last year, but up to the present there has been no income from that. I say no - there was one small dividend paid about last July.

Mr. Leech:

What I meant was had he any resources?

Mr. Pughe:

No - Well - he might. I don't know but what he has some property in California.

Mr. Milsom:

About how much was the investment that you know of his making?

Mr. Pughe:

Approximately I would say about \$1500 or \$2000.

Mr. Milsom:

What date was that?

Mr. Pughe:

Well, this commenced in the early part of March 1907.

Mr. Milsom:

And extended to about what time?

Mr. Pughe -

Well I would say that it extended to the early part of January of this year?

Mr. Milsom:

Running along in approximately equal monthly payments? or otherwise?

Mr. Pughe:

No, some of the payments at first were on the installment plan every two months I believe, but at times I have known that he made payments of \$500 or \$600. I know of one time the payment reached that amount.

Mr. Downer:

Now, Mr. Pughe, of course I don't want to delve into Mr. Schell's private business unduly, and I know that some of the questions that are being asked are not very pleasant for you to answer with reference to Mr. Schell. I want to ask you this - Have you any knowledge from what he said, or your own knowledge, as to where this money that he invested as you stated came from, either his own private resources or his wife's, or from source he derived the funds?
what

Mr. Pughe:

Most of it came from what he has told me from his own deposit from the bank he had his deposits in, but on one or two occasions he said his wife advanced some for him to make some payments.

Mr. Downer:

Is there anything you can tell us Frank that will throw any light on the whole thing?

Mr. Pughe:

No.- Up to this time I have not had any occasion to question his words or acts. I have been associated with him for some time and respected his honesty and integrity highly.

Mr. Downer:

Did he have any resources when he came here beside what has accumulated from his wages?

Mr. Pughe:

They had money when they came here. I don't know how much but they had some.

MR. SCHELL'S TESTIMONY.

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Mr. Downer:

Mr. Schell -

Mr. Schell:

Mr. Downer -

Mr. Downer:

There has been a very serious charge made against you and I have called you in here to see what you have to say about it.

Mr. Schell:

I have nothing to say, Mr. Downer, except straight truth.

Mr. Downer:

Wait until I get through with what I have to say and you can make whatever statement you have to make. Whatever you say will be taken down by my Secretary here and I should like to have you speak slow so that she can take it down as you say it.

The charge has been made by Mr. Morrison, Foreman of the Ingot Melting Room, and is in substance this:- On last Thursday when there was a delivery of clippings and chips and little pieces of gold returned by the Coiner of course by the Transfer Weigh Room., Mr. Morrison states positively that he saw you reach into the box and take therefrom a piece of metal. He saw it in your fingers, these two fingers here (indicating index and middle fingers). He thinks it was an imperfect blank. He saw you put it into the pocket of your apron. He then, after some little consideration, came back into the Make Up Room and asked Mr. Pughe to re-weigh that draft, and states that while Mr. Pughe was getting ready to do so, or at least while he was engaged with the scales, you came up to the box and put your hand into the box, and that he heard a piece drop from your hand into the ingot box - that he then told Mr. Pughe that it was all right, that it was not necessary to re-weigh the draft.

That is the substance of what Mr. Morrison stated to me and to these other people who are present here. You are asked to come in here so that you may make whatever statement you may desire.

I will say in addition to what I have already said in regard to what Mr. Morrison stated, that in many important particulars this charge is substantiated by the testimony of Mr. Pughe which was had here before lunch.

* * * * *

Mr. Schell:-

Well, I can only state, Gentlemen, that I took no coins, or blanks, or anything out of the box. I pulled it out into the Melting Room as is customary, and had gone over and picked up the paper to finish reading a little article, and Frank spoke to me and asked me if I noticed whether Mr. Whitney had the balance weight on the scales, that is for the pan, and I told him I didn't know. Just about that time Mr. Morrison brought the truck of metal back into the room. Naturally supposing that he wanted to re-weigh it I took hold of the box of blanks intending to lift them out of the clipping box to weigh them. Then that is as far as I can go. I supposed he wanted to weigh them at once and took hold commencing to help do it. The idea of my caring for a piece of that kind was so darn preposterous. Now, Mr. Downer, I can not think of anything more to say. -----I took hold of that box by the handles and started to lift it out, but before I could take it out, or get a hold of it, Mr. Morrison said to Mr. Pughe, "that will do" or something of the kind.

Mr. Downer:

What occurred after that?

Mr. Schell:

Mr. Morrison spoke to me about it and it seemed so folly and so foolish to me that I didn't give it any thought after that - took it as a matter of course. I did not take any piece out of the box or put any piece back or anything of that kind.

Mr. Downer: Is that the last thought you have given to the matter?

Mr. Schell: I expected to have Mr. Milson speak to me of it because I naturally supposed Mr. Morrison would speak to him about it.

---Mr. Downer: Was Mr. Pughe there when Mr. Morrison made this accusation?

Mr. Schell: Yes sir, they were together - they were sitting on the desk right by me.

Mr. Downer: Have you said anything about it to Mr. Pughe since? Ans. Not a word sir. Q. Have you said anything about it to Mr. Morrison since? Ans. Not a word sir.

Mr. Downer: Is that all you have to say about the occurrence?

Mr. Schell: I don't know what else I could say, Mr. Downer, that is all there is to it. I can only state emphatically and positively, under any circumstances, that I took nothing out of the box, put nothing in the box. I hurried to re-weigh the work that it might go back into the melting room, Mr. Pughe having asked the question if I had noticed whether the balance weight was on.

Mr. Downer: Now Mr. Schell you make the statement that you have just made in relation to this occurrence knowing that I have stated to you that Mr. Morrison has testified explicitly, unqualifiedly, so that there could be no possible misunderstanding about it, that he saw you take a piece of metal from that box at the door of the Ingot Melting Room, saw you put that into the pocket of your apron, and when the truck having been brought back was in front of the scales there (that is the Melter and Refiner's scales) for the purpose of being re-weighed - saw you again come up to that box and put your hand in it and heard the metal strike with the other metal in the box.?

Mr. Schell: The small box was in the long clippings box. I reached in the long clippings box to take out the smaller box with the scraps to weigh. I can not think of any more than that. That was my movements there. I took hold of the small box intending to dump it into the pan to re-weigh it. I think that's about everything Mr. Downer that I can say about it. Whether I put anything in my apron or not - my pipe or rubber cigar holder - after coming out of the room, I don't know. But, I do know most assuredly that I put no blank in the pocket of my apron, or no piece of blank, nor anything out of that box, nor did I put anything back into it.

Mr. Downer: Then if I understand your answer to my question - you fully deny-
---(interrupted)

Mr. Schell: Mr. Downer, if there was any way to emphasize my denial, I want to be told what it is. I want to make it as firm and as strong as possible.

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Mr. Milson: Mr. Schell - when you reached the door of the Ingot Melting Room for the purpose of taking in the truck containing the clippings you sent Mr. ---Who was assisting at that time with the truck?

Mr. Schell: One of the Spencers I think - one of the Spencer boys.

---Mr. Milson: Was it Joe Spencer? Ans. Yes - I think so.

Mr. Milson: Did you send him back when you got to the door of the Ingot Room? to get another truck?

Mr. Schell: I told him to take a box from the rack and put on a truck. There was one standing on end that needed repairing, and I didn't want him to use it. Thinking he would take it I spoke to him to take one of the other boxes on the pile up there and put on the truck - not the ones on the floor.

Mr. Milsom:

At that time did you turn back the handle of the truck that you were pulling against the box that was on the truck?

Mr. Schell:

I dont know whether I did or not. If the door was closed-----

Mr. Milsom:

The door was closed.

Mr. Schell: continuing-

Then I certainly put the handle back to open the door.

Mr. Milsom:

Precisely - do you remember which hand you used in reaching to open the door? Could you say which hand it was?

Mr. Schell:

No. I dont know that I could. I dont know which way I was facing, but naturally would suppose I would take my left hand if I was pullin the truck out with my right, but I wouldn't swear, I couldn't state which hand I used, but naturally it would be the left hand, pulling the truck with my right.

Mr. Milsom:

It might have been your right hand that you opened the door with. If you were pulling the truck with your left hand as you came up to the door of the Ingot Melting Room, and put back the handle of the truck, would it be natural for you to reach out with your right hand to pull the door open?

Mr. Schell:

If I was pulling the truck with my left hand.

Mr. Milsom:

Why did you tell Spencer to get a box and go back for another truck?

Mr. Schell:

We had to get another box. I had discovered that on one of them the soldering had broken up the side. We had to set that to one side that it might be taken up stairs to be repaired. I was afraid that Mr. Spencer would put that box on the truck that was standing by it on its end. So I wanted one taken down from the side of the wall.

Mr. Milsom:

Is it customary for Mr. Spencer, or the person who is helping you, to take the boxes back to receive transfers from the transfer scale? or is that a duty that you usually perform?

Mr. Schell:

Why they generally help us get those big boxes down. If they dont Frank always does if they are piled over the second or third high.

Mr. Milsom:

When you brought the box on the truck back into the Make Up Room for re-weighing and reached into the Clippings Box to take out the smaller box containing the imperfect coins and scraps, what was said and by whom at that time that caused you to stop?

Mr. Schell:

Mr. Morrison said - "Never mind" or something like that.

Mr. Milsom.

Was that all he said?

Mr. Schell:

Thats all I can recall he said, "it aint necessary" or something like that. I dont remember or recall any exact words that was said in regard to it any more than we would not weight it.

Mr. Milsom:

Was this said to you at that time by Mr. Morrison? - "Pete I saw you do it, and I dont care to have them re-weighed now, you have put it back" or words to that effect?

Mr. Schell:

Most assuredly not - Mr. Milsom. He never used any such expression to me. I certainly would have heard it. My hearing is good if my eye isn't. He certainly never made any such remark.

Mr. Milsom.

If the third party was present at that time and corroborated Mr. Morrison's statement with reference to the last question would you still deny that it was said?

Mr. Schell:

Mr. Schell:

I would have to deny it Mr. Milsom, not catching or hearing any such remark any more than "Never mind, we will not weigh it." ---I want to state to you people that I didn't hear Mr. Morrison say (what was it you said?) "Never mind Pete, I don't want it re-weighed? - In fact I don't know that I was especially listening. He said not to weigh it and I stopped.

Mr. Milsom:

When Mr. Morrison and Mr. Pughe came to you and accused you first of taking out the blank, a \$20 gold blank, and then returning it,

Mr. Schell: did Mr. Morrison or Mr. Pughe at that time refer to having seen anything of a like nature with reference to you heretofore?

Mr. Morrison did all the talking and he said something about a year or more ago he had seen something of the kind.

Mr. Milsom:

What was it?

Mr. Schell:

Well, now I can't remember. I didn't pay any more than ordinary attention to it because I knew that there was positively no grounds for any such accusation.

Mr. Milsom:

Did he say anything in reference to an ingot top referring to what he thought he had seen about a year ago?

Mr. Schell:

Now that you recall it I think he did say something about an ingot top.

Mr. Milsom:

What did he say?

Mr. Schell:

Why, he said that about a year or more ago he thought he saw the same party----

Mr. Milsom:

Well - who?

Mr. Schell:

Me (now that you recall it I remember) take an ingot top - over a year ago. That is all.

Mr. Milsom:

Did you deny both accusations?

Mr. Schell:

I most certainly did.

Mr. Milsom:

Did you also say as a part of your denial that "even if it were true you would deny it?"

Mr. Schell:

I don't think I used any such expression as that Mr. Milsom. I certainly denied it.

Mr. Milsom:

You would not say positively that you did not say it?

Mr. Schell:

I most positively say that I would not say that any such thing was true because such a thing didn't occur to me.

* * * * *

Mr. Downer:

Suppose, Mr. Schell, that Mr. Morrison said in that conversation that you said "you would deny it even if it were true," and suppose Mr. Morrison's statement in reference to that is corroborated by Mr. Pughe?

Mr. Schell:

I would still deny it Mr. Downer. I say I said no such thing, -- that I would deny it if it was true (if that is what you said.) I simply want to state that I deny making any such remark, to the effect that I would deny it if it was true.

Mr. Milsom:

Have you ever had any trouble of any kind with either Mr. Morrison or Mr. Pughe?

Mr. Schell:

Never to my knowledge. I have always looked upon them both with especial favor and thought they did me.

Mr. Downer:

Mr. Downer:

Then there can not be in your mind with reference to either one of those gentlemen any idea that they would manufacture a story of this kind against you to injure you.

Mr. Schell:

I dont know of any reason in the world why they should, Mr. Downer. In fact I never would think that they would. I should certainly feel very much astonished if I would be convinced that either Mr. Pughe or Mr. Morrison would do me an injury, or try to do me an injury, as I have always looked upon them both as friendly towards me.

Mr. Downer:

When Mr. Morrison brought that truck load back into the Make Up Room what caused you to think that he brought it back for the purpose of having it re-weighed?

Mr. Schell:

Because Mr. Pughe had asked me if I had noticed that Mr. Whitney had the balance weight on the scales.

Mr. Downer:

Had he asked you prior to this occurrence?

Mr. Schell:

Yes, sir, prior to this occurrence, between the vault and the scales.

Mr. Downer:

Did you hear Mr. Morrison say that he wanted the draft re-weighed?

Mr. Schell:

No sir:

Mr. Downer:

You did not hear that? Ans. No sir:

Mr. Schell :

Let me state my case. (granted)

Mr. Pughe called to me and asked me if I knew whether Mr. Whitney had the balance weight on the scales. That was before the metal was brought back into the room. Does that answer the question?

Mr. Downer:

Yes, I think so.

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Mr. Leech:

Mr. Schell, when you were pulling that truck with this box from the Make Up Room to the Melting Room and stopped to open the door, at that time had you any metal in your hand (when you started to pull the thing in) out of the box?

Mr. Schell:

No sir, no metal in my hand. I might have had my gloves in my hand, or my pipe, or rubber cigar holder, but no metal.

Mr. Leech:

Do you wear any gold rings on your fingers? Anything that could be mistaken for a blank?

Mr. Schell:

Yes, I have a ring, one with a Colorado stone in it, that I wear very frequently.

Mr. Leech:

You were not carrying a piece of copper in your hand at that time?

Mr. Schell:

No sir, no metal in my hand.

Mr. Leech

Was there any occasion for your putting your hand in your pocket that you can remember of?

Mr. Schell:

No. I cant think of any occasion, unless I had my pipe in my hand, as I say, or my gloves. I can not think of anything.

Mr. Leech:

What was Spenser doing in the way of helping take that draft in there or was he helping?

Mr. Schell:

We always have help from the Melting Room to help take transfers.

Schell:

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Mr. Leech:

This is what I am trying to get at - - in taking the draft (you were taking it to the Ingot Room) was he pushing or helping you in any way?

Mr. Schell:

I think that he was.

Mr. Leech:

He was pushing?

Mr. Schell:

He was helping me to load these clippings- these blanks.

Mr. Leech:

I wanted to find out if he was giving you any assistance - if he was assisting you from the rear - with that melt - taking it in. Why would you dispense with his services right at the door where the incline is?

Mr. Schell:

I dont have assistance one load in twenty - unless very large.

Mr. Leech:

I thought you just said you generally had assistance.

Mr. Schell:

Yes sir, around the scales - to take the clippings off the scales and such things as that. If we have two big boxes of clippings there might somebody push it back in, but one box - or three or four melts - we put it out ourselves.

Mr. Leech:

Then you dont have any distinct recollection of having been assisted by Mr. Spencer in taking this into the ingot room?

Mr. Schell:

I dont remember Mr. Spencer helping me further than to help unload the scales, as it was a light draft. I started taking it into the Melting Room, and requiring another box I told him not to take the one standing on end, but get one of the ones in the back.

Mr. Leech:

Well- was he actually following you into the Melting Room- was he leaving the Make Up Room at that time to go back to his work or help you through the door?

Mr. Schell:

No sir, we were to take more clippings for the next day. He was going back into the ingot room as I remember it now.

Mr. Downer:

Now Mr. Schell, as I understand it, when this accusation was made against you, you were sitting at the desk, after this had all occurred and both Mr. Morrison and Mr. Pughe were there at that time. You were the only three there at that time?

Mr. Schell:

Yes, sir that was all. When this accusation was made against you in the presence of Mr. Pughe did you express or feel any indignation at all?

Mr. Schell.

I certainly did.

Mr. Downer:

When the charge was made by Mr. Morrison that on a former occasion he saw you take a piece of metal - did you express any indignation at that?

Mr. Schell:

I certainly did at any such charge, and I expected to be called before Mr. Milsom the same day if he was in the office, but he wasn't. That is why I waited Mr. Downer.

Mr. Downer:

Your relations with Mr. Pughe are friendly? Ans. Yes sir. Q. You are with him a good deal of the time during business hours? Ans. Yes sir. You see a good deal of him outside of business hours do you not? Ans. Yes sir. Ans since that occurrence on Thursday when a most serious charge was made against you by Mr. Morrison, altho' you have been with Mr. Pughe, you have made no reference to it have you?

Mr. Schell:

I have not nor did I intend to until I had been spoken to by Mr. Milson or the authorities here.

Mr. Downer:

Now, Mr. Schell - here is the situation about this.

A most serious charge is made against you by Mr. Morrison, not something from hear say, but he states positively and unequivocally that he saw you take from that box a piece of metal. He states positively and emphatically and explicitly without any equivocation at all that he saw that piece of metal between your two fingers (illustrating) and that he saw you put it into the pocket of your apron.

He then goes on to state the occurrence - how the metal was brought back into the Make Up Room for the purpose of re-weighing. The purpose of that in his mind is entirely clear. He wanted to show by the weight that there was something missing there. He then states that before that object could be accomplished (he does not state this from hearsay) he states he saw it with his own eyes, he states it emphatically and unequivocally, that he saw you put your hand down into the box, that he heard the blank, or piece of metal or whatever it was, drop from your hand into the other metal that was in that box, that he then said to you - "it is all right, Pete, I saw it."

Now for all those things that I have stated I have Mr. Morrison's solemn statement. I also have his solemn statement that on a prior occasion he saw you take a top, containing he guessed, about three ounces. I want to state again that he don't state that he thinks you did this thing, but that he knows you did these things because he saw you do these things.

Now what presumption does that naturally raise in the minds of your Chief, Mr. Milson, and myself, who are here charged with the safe custody of every penny weight of metal that belongs to the United States Government. We have sworn to safe guard that, and we have here the statement of a fellow workman of yours, an employe of this institution, who, from all that we can gather, both from himself and from you, has absolutely no reason to desire to do you an injury. We have his statement corroborated in many important particulars by Mr. Pughe, another fellow employe, and one who states, and whom you state, has no reason to do you any injury.

I am just stating this to you so that you may see what the natural presumption is in our minds with reference to these matters.

You have been called in here to give you every reasonable chance to refute the accusations that are thus made against you. You have denied emphatically every essential point in the charges, so that we have on the one hand the positive, unequivocal, emphatic statement of Mr. Morrison that you did these things (repeated). We have it corroborated (I am repeating so as to make it plain to you - I want to make it absolutely clear to you just what position we find ourselves in reference to you and this charge) we have it corroborated in many important particulars by Mr. Pughe.

Over against this we have your positive denial.

Now, I want to ask you, under those circumstances, what must we, or any other two men who want to be absolutely just - think?

Mr. Schell:

Gentlemen, I can not make my denial of those charges too strong. You state that Mr. Morrison states emphatically, without doubt that I did do these things. I state just as strongly that I did not do these things, and I have told just as near as I can just how everything was said and done that morning.

Mr. Downer:

Mr. Schell, you have not answered my question.

Mr. Schell:

How do you mean answer my question, Mr. Downer - for me to tell you gentlemen what to do?

Mr. Downer:

No - I asked you what, in your opinion, in view of the circumstances which I have stated - must we think?

Mr. Schell:

Well thats a rather delicate question for me to answer Mr. Downer. I deny the charges emphatically. You say that the man that m kes them does it just as emphatically that I did do these things that I deny.

Mr. Downer:

Now Mr. Schell, in view of the gravity of these charges as considered by us, I am going to ask you some very personal questions. With these serious charges as my warrant for it, I do not need to assure you that, so far as Mr. Milsom and myself are concerned, we are absolutely determined that absolute justice shall be done to you in this matter. We have shown, both of us, our disposition towards you, I think. With as a prelude I am going to ask you a number of questions, to which I shall expect true answers.

Mr. Schell - how long have you been in the Government Service?

Mr. Schell :

Since 1875.

Mr. Downer:

Have you been continuously employed from the time of your first employment in 1875? How long did you continue without interruption in the employe of the Government?

Mr. Schell:

I think it was up to 1885 or 6, somewhere about there.

Mr. Downer:

That is approximately ? Ans. yes. Q. What caused you to leave the Government employe at or about 1885?

Mr.. Schell:

Something like 30 or 40 odd men were let out at one time at the San Francisco Mint.

Mr. Downer:

Who was Superintendent of the San Francisco Mint at that time?

Mr. Schell:

Now I think it was Mr. Burchard.

Mr. Downer:

That was the Superintendent? Ans. Yes, I think his name was Burchard. When did you again enter? Ans. Under Mr. Daggett.

Mr. Downer:

What year was that?

Mr. Schell.

About 1893 I think - somewhere along there. 1893 or 4, while Governor Daggett was Superintendent.

Mr. Downer:

What was your employment from 1885 or whatever time you were out of the Mint service up to the time you returned in 1893.

Mr. Schell:

Part of the time I was a traveling man (or salesman I guess you call it) on the road, part of the time City salesman in San Francisco and in the dry dock business with my brother-in-law.

Mr. Downer:

After you returned to the Mint Service in 1893 how long were you employed in the Mint?

Mr. Schell:

Until I came here? Ans. Yes.

Until the first of September, and I came here on the 4th of Nov.

Mr. Downer:

What year was it you came here?

Mr. Schell:

Two years ago last November. Q. 1905. Ans. Yes.

Mr. Downer:

Did you resign from your place in the S. F. Mint? in 1905. Ans. No. sir. Q. Were you on furlough?

Mr. Schell:

Well now I dont know Mr. Downer whether I was on furlough or not. I was out with a number of others expecting to go back when the work resumed.

Mr. Downer:

Mr. Frank A. Leach, who is now Director of the Mint was Superintenden of the San Francisco Mint at that time? Ans. Yes sir.

Mr. Downer:

Did you voluntarily cease your work? There must have been some action what action was taken?

Mr. Schell:

There were, I suppose, as many as 35 or 36 laid off, quite a number of them, more than that maybe, taking ladies and all together.

Mr. Downer:

Did you expect to go back there?

Mr. Schell:

When the work was resumed. I don't know any reasons why I shouldn't.

Mr. Downer:

Now Mr. Schell, while you were employed in the San Francisco Mint, was there at any time any question raised by anybody as to your honesty and integrity?

Mr. Schell:

Now as to my honesty and integrity there was one raised in regard to a scarf pin that a number of people were asked about - I among the rest - because my locker was right immediately next this man's locker, and we all undressed and dressed in the same little corner under the steps, but I never considered that I was suspicious. I was simply asked as to who was around the lockers, and who visited and dressed and undressed among them. That is to me personally and for my own individual self - no sir. That matter was with everybody in that corner of the room.

Mr. Downer:

Were you at that time questioned in regard to the matter?

Mr. Schell:

As to whom I had seen around there and who dressed and undressed around those steps.

Mr. Downer:

Who questioned you?

Mr. Schell:

Mr. Leach I think. I know it was Mr. Leach.

Mr. Downer:

You were called to the officer were you?

Mr. Schell:

Yes sir there were a dozen or more called.

Mr. Downer:

Can you tell me Mr. Schell, approximately the date of that occurrence

Mr. Schell:

No sir - I can not. I have no way, Mr. Downer, of knowing anything about it, but I will explain to Mr. Leech, and he will understand why I say I was called in with the others. (To Mr. Leech) You remember the location of the Cutting & Annealing Rooms? (Mr. Leech ans. yes) and at the foot of those stairs were some lockers - do you remember those Mr. Leech? (Mr. L. - No I don't remember the lockers.)

Mr. Downer:

Now Mr. Schell I want you to fix approximately the date of that occurrence.

Mr. Schell:

Well I don't know what to go on Mr. Downer to fix it. It did not impress me with anything to remember it from. It appeared to me as a matter of ---Well, I don't know what to liken it to---There was no occasion to impress me with it.

Mr. Downer:

Mr. Schell, you seem to be a pretty hard man to impress with matters of that kind. A little accusation of that character seems to run off your back like water off a duck. It seems to me a matter of that kind, and this occurrence here the other day where a serious accusation of that character is made would make some sort of an impression on an ordinary man.

Mr. Schell:

The one made the other day has made a lasting impression that I will always remember and never forget. I took that as a personal matter, the other not at all. I kept quiet about it until Mr. Milson, my Superior Officer was notified of it, naturally knowing it would go to Mr. Downer. The impression is one that will last forever.

Mr. Downer:

Now, Mr. Schell, as to the occurrence at San Francisco, you, on that occasion, were called to Mr. Leache's office were you not?

Mr. Schell:

Yes sir.

Mr. Downer:

You were there with Mr. Leach alone?

Mr. Schell:

I think there was nobody else in the room, Mr. Downer - Mr. Day the Chief Clerk might have been there, and while we are at it let me state another case - At one time there all the locker keys of the entire building, each and every man's, were taken up, but that made no impression on me, because it wasn't me any more than any man in the building. Somebody had been taking money from the lockers, but I was never called into the office on it.

Mr. Downer:

On the occasion of your being called into the office, Mr. Leache's office in San Francisco, were there any officers in the building at that time.

Mr. Schell:

How do you mean officers, Mr. Downer?

Mr. Downer:

I mean detectives.

Mr. Schell:

No - not so far as I know.

Mr. Downer:

What did Mr. Leach ask you?

Mr. Schell:

Well, now as nearly as I can remember he asked who I had seen around the lockers that day, whom I had seen when changing my clothes, if I had been down stairs in the mean time - questions along that line.

Mr. Downer:

What, do you take it, was the reason for these questions?

Mr. Schell:

He told me the reasons for these questions - that someone had lost a pin out of his locker. I was questioned same as everybody dressing in this same circle of lockers, as to who was around, but there was no such accusation as "Mr. Schell, you took the man's pin."

Mr. Downer:

Were these people that were called in searched at that time? Ans. No sir. Q. You were not. Ans. No sir.

Mr. Downer:

What particular work were you doing in the Mint at that time?

Mr. Schell:

Well, Mr. Downer, I couldn't tell you what room I was in that day, or that week. I worked in each and every room under the Coiner, in the absence of anybody when they needed help. I was considered proficient in my line of the Coiner's work.

Mr. Downer:

You were changed about considerably?

Mr. Schell:

When I was detailed in the Press Room, I was frequently called out to act as Weigher in the Cutting Room and in the Rolling Room and to work in any of the rooms, but my detail was in the press room for a very long time. The last time I was there for a number of years. If a weigher was shy in the Cutting Room I would go out there and weigh.

Mr. Downer:

What did you do right away after this? what particular work did you perform?

Mr. Schell:

It is impossible to state what special room I was in any special time or occasion, as I was frequently detailed from the Press Room into the other Rooms.

Mr. Downer:

After this occurrence did your general occupation continue as it had theretofore, being first one place, then another?

Mr. Schell:

Just the same as usual and customary - as it had been - Yes sir.

Mr. Downer:

Was any suspicion ever directed against you on any occasion while you were in the San Francisco Mint? Answer yes or no.

Mr. Schell:

No sir:

Mr. Downer:

I want to know whether you were ever suspicioned for a dishonest or dishonorable act while in the San Francisco Mint, by the Coiner, the Superintendent, the Chief Clerk, the Captain of the Watch, or anybody in authority there. Answer yes or no. Ans. No.

Mr. Downer:

Were you ever accused of any dishonest act while you were there?

Mr. Schell:

No sir, I was never directly accused of any dishonest act.

Mr. Downer:

Were you ever accused indirectly?

Mr. Schell:

Well now there when my keys were taken up with all the rest, that was indirect one. When we were called up after the loss of this pin that was indirect - I imagine it was indirectly because we were questioned as to the location of these lockers, who had these lockers and who dressed and undressed in the corner.

Mr. Downer:

As I told you, Mr. Schell, in view of the gravity and directness of the charge that has been made against you by Mr. Morrison, I feel it my duty to ask you some very direct, and what, under ordinary circumstances might be considered personal, perhaps. With that explanation I go ahead.

Mr. Downer:

When you came here, Mr. Schell, in the fall of 1905, did you have any considerable amount of money?

Mr. Schell:

Yes sir, I had some money. What do you call a considerable amount of money, Mr. Downer?

Mr. Downer:

You did not answer the question. Answer the question.

Mr. Schell:

Well, I suppose I could command two or three thousand dollars. Yes sir.

Mr. Downer:

Do you recall that about that time I had a communication from some one in San Francisco concerning a bill which you owed them? Ans. Yes sir. Do you recall what you said concerning that bill at the time? Ans. I do sir. Q. What was that? Ans. That I didn't have the money then. Q. Did you say anything about paying it just as soon as you could? Ans. Yes sir: Q. Have you paid it since? Ans. No sir. Q. Why haven't you paid it? Ans. It was only security for the party who originally owed the bill.

Mr. Leech:

It was a judgement, as I recollect, against Mt. Schell.

Mr. Schell.

Yes, sir, on an endorsed note.

Mr. Downer:

Was it your purpose to pay it at the time I talked with you about it? Ans. If the other party did not, yes sir. It was my purpose. Q. Has the other party paid it? Ans. I have never heard anything in regard to it since the day you spoke to me here. I wrote to the party and told him what had been done, and he wrote to me saying that he would attend to it, as for my telling him it would jeopardize my position.

Mr. Milson.

You say that when you came here you could command two or three thousand dollars. How did you come to inform Mr. Downer that you could command that much?

Mr. Schell.

I did not have the cash then.

Mr. Milsom:

If you did not have any cash how could you command two or three thousand dollars?

Mr. Schell.

There are a great many commodities we have that we can raise cash on.

Mr. Downer:

Have you, Mr. Schell, since your employment in the Denver Mint disposed of to anyone any bullion or precious metal of any kind.

Ans. No sir. Q. Where do you keep a bank account? Ans.

Corner of 15th and Arapahoe. Q. What is the name of the bank?

Ans. Central Savings Bank - recommended by Mr. Pughe through his brother-in-law.

Mr. Milsom:

How much have you at this time in ready money that you can command?

Ans. About eighteen or nineteen hundred dollars ready money. Q. approximately? Ans. yes. Q. How much have you invested since you have been here? Q. Of my own, Ans. How much for yourself and others have you invested since you have been here?

Mr. Schell:

About \$1500, or something like that, on Mr. Pughe's father's recommendation and on Mr. Pughe's recommendation.

Mr. Milsom:

How much of that was your own money?

Mr. Schell.

About one third of it.

Most of that was mine that I got in commissions.

Testimony of Mr. Morrison:

* * * * *

Mr. Downer:

Dick, Mr. Milsom just told me of an occurrence that took place in the Make Up Room last Thursday. I wish you would state in your own words just exactly what occurred there on that occasion, making your statement just as full and complete as you can in connection with the case.

Dick:

Well, we had just received a transfer of clippings from the Coining Department. With them there were some ends and pieces sorted out from the assorted blanks. Those blanks were put in the bottom of a pan to be weighed.

Mr. Leech:

These were gold?

Dick:

Yes sir, double eagles, and they were dumped in an ingot box and put on top of the clippings in the clippings box, and on a truck to be taken into the Melting Room.

Mr. Downer:

Can you tell about what hour this was?

Dick:

I would judge about 9 o'clock in the morning, I did not notice the time closely. -- I had one man with Mr. Schell to take those clippings into the Melting Room.

Mr. Downer:

Who was the man?

Mr. Morrison:

Joe Spencer. -- Schell was pulling the truck and Spencer was behind him. Schell turned to Spencer and told him to get another truck and another box for the balance of a transfer of clippings -- gold clippings, -- and as he did so he turned the corner in the Make Up Room as you go into the Melting Room, and as I saw my man go back I stepped in behind. I saw him turn the knob of the door with his left hand, put his right hand into the ingot box of imperfect blanks. He held between the last two fingers and palm of his hand while he wheeled the truck through the door and into the room (Meltg. Rm.)

Mr. Leech:

Was this one blank?

Mr. Morrison:

Yes sir.

Mr. Downer:

Could you see the blank in his hand?

Mr. Morrison:

Yes, I saw his fingers close on it, -- whether it was a complete 20 blank or not I don't know. When he turned to leave the room he slipped it into his apron pocket.

Mr. Downer:

He left you at the door did he?

Mr. Morrison:

Yes, he left me in the room -- I had gone in with him, that is, following him. -- I waited some few moments, wondering in my own mind what to do. I went back and asked Mr. Pughe, the Make Up man--
(interrupted.

Mr. Downer:

Was Pughe there at this time.

Mr. Morrison:

He was in the Make Up Room. -- I asked Mr. Pughe for a re-weigh of the clippings which he had turned over to me without explaining to him why. I had the clippings brought into the room by the same man, Joe Spencer. I came in with him, and as they were hauled up in front of the scales to be re-weighed I watched Mr. Schell,

and saw him take something out of his pocket and put his hand inside of the clippings box, that is, inside the ingot box, and then saw him drop his gold blank.

Mr. Downer:

Did you hear it fall?

Mr. Morrison:

Yes, I saw him drop it.

Mr. Leech:

Could any one else see it? Was there any one else in the room?

Mr. Morrison:

Yes, Pughe, but he had his back turned.

The instant I saw him do that I spoke to him saying " All right, Pete, I saw that; I don't care for a re-weigh." Mr. Pughe turned to me and asked me what the trouble was. I told him never mind the re-weighing. I then called him out and explained to him the reason for my actions. We decided to both together accuse the man, which we did, going back into the Make Up Room to do so. We got no satisfaction out of him.

Mr. Downer:

What did you say to Mr. Schell when you accused him?

Mr. Morrison:

Frank spoke to him and told him the reason I had asked for a re-weigh - that I thought he had one of the blanks from that weigh in his apron pocket. He slightly smiled and had little to say about it. Then I told him the exact circumstances before Frank.

Mr. Downer:

Was Spencer there? Ans. - No. Nobody else could have heard this?
Ans. No.

Mr. Morrison:

He tried to explain his actions in the changing back and forth of the clippings, saying that he had done nothing of the kind, that he was in a hurry to read the paper, and thought they must be weighed hurriedly. He made what we both considered a very weak denial, and he has said nothing further to either of us since about it.

Mr. Downer+ Leech.

He denied taking it?

Mr. Morrison:

Well, no, Mr. Leech. He seemed to treat it as a joke. He asked what object I would think he had in taking it after having been for 30 years in the Government Service. I told him I did not know what his object might be, but I told him that I knew that he knew that I saw it. He said, " I would deny that if it were so."

I also told him that that was not the first occurrence, that I had seen him do the same thing about a year ago as near as I could remember. That time I saw him get a top out of a similar box and on top of a lot of melts, but I was quite surprised at that and hardly willing to believe my own eyes, and I have spent the balance of time watching transfers without appearing to intrude, trying to catch him, and I had him and lost him.

Mr. Downer+ Leech:

That instance about the top; Did you speak to anybody else about that at the time.

Mr. Morrison:

No sir I did not; I knew it was a thing that would be hard to accuse anybody of. It was a thing I could not prove, and in fact this is the same.

Mr. Downer:

Are you certain he took that top, Dick?

Mr. Morrison:

I am now, positively. At that time I was somewhat doubtful, that is, I could not believe my own eyes.

Mr. Downer:

You don't believe that top went back? Ans. No, sir

Mr. Leech:

How much would that weigh, that top?

Mr. Morrison:

Pease-- Probably three ounces.

Mr. Leech: Gold? Ans. Yes.

Mr.

Downer:

What further occurred in your conversation with Mr. Schell when Mr. Pughe was present as to the matter, and what did Mr. Schell, if anything, say further than you have already said? Ans. Nothing further. Q. Did you say anything further? Ans. No. Q. Did Mr. Pughe say anything further? Ans. No, I believe not.

Mr. Morrison:

He let me do the talking. He listened.

Mr. Downer:

What did you next do?

Mr. Morrison:

I went into the office and reported the matter to Mr. Milsom. Mr. Pughe came in about the same time, and I told him I was reporting to Mr. Milsom, and he gave his report to Mr. Milsom, both being in there together with Mr. Milsom.

Mr. Downer:

As far as you know, Dick, has Mr. Schell said anything to you or to anybody else? Ans. No sir.

Mr. Leech:

None of the men?

Mr. Morrison:

If he has they have said nothing to me. He has said nothing to me and Mr. Pughe tells me he has said nothing to him.

Mr. Downer:

Then, Dick, that statement you make covers every important point of the affair so far as you know? There is nothing further that would throw any light on this subject. Ans. No sir, nothing further

Mr. Downer:

Have you at any time heard any of the men raise any question as to the honesty or dishonesty of Mr. Schell?

Mr. Morrison:

No sir, none of the workmen, and not until after we had reported the matter when Mr. Milsom gave both Mr. Pughe and I a statement concerning some previous suspicion of Mr. Schell.

Mr. Pughe's Testimony.

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Mr. Downer:

Frank I wish you would state just what occurred in the Melting Room last Thursday, commencing from the time that Mr. Morrison asked you to re-weigh the load of clippings and pieces of coin, gold

Mr. Pughe:

Dick came back from the Melting Room and asked me if I would mind re-weighing the box of gold clippings which I had just sent out to the Melting Room. Schell was pulling the truck and Spencer - Joe Spencer was following behind the truck. Before they reached the door of the Melting Room Schell asked Spencer to get an empty clipping box for the next draft. When Dick asked me to re-weigh the first draft of clippings we were just taking the second draft from the transfer scales. As Schell and Spencer had finished removing the second draft from the scales to the empty clippings box, Dick brought the first box back from the Melting Rm. to the large scales of the Make Up Room.

Mr. Downer:

Right next the vault?

Mr. Pughe:

Yes. Just as they came in with the truck which was brought by Joe Spencer I turned to the scales to put the weights on. Before I reached the end of the scales where the weights are Morrison said "all right now Frank."

Mr. Downer:

During the time, or at the time, Mr. Morrison brought the truck back in front of those scales you state, where was Schell?

Mr. Pughe:

Schell was right in front of the scales as I remember, near the vault door. I think thats where he was.

Mr. Downer:

Do you know where he went from there? Ans. No I do not.

Q. You dont know where he was immediately prior to the time Mr. Morrison told you it was all right?

Mr. Pughe:

No - it was just before that I started to go around the scales and had to take two or three steps. Mr. Morrison called to me that it was all right, thats what he wanted, let it go now. I turned around to him and didn't understand the proceedings at all, and did not until a little bit after that. I followed him out to the Melting Room and he told me what he had seen.

Mr. Downer:

State just what he told you.

Mr.. Pughe:

He told me that as Mr. Schell was pulling the truck to the Melting Room he stopped to open the door. He threw the handle of the truck and reached his hand down into the ingot box which was setting inside of the Clippings box. In the ingot box there were several pieces of gold blanks and chips. He said he heard his hand rattle in the pieces there, and he saw him draw his hand away and hold two fingers like that (illustrating) and he went on into the Melting Room just a few steps and left the truck standing, started back, and put his hand to his apron pocket.

Then Mr. Morrison further said that after the box of clippings which had just been brought back into the Make Up Room (interrupted)

Mr. Milsom:

To be re-weighed at his request?

Mr. Pughe:

To be re-weighed at his request. - that before he could prevent him Schell had stepped up to the box because he understood that we were going to re-weigh them and put his hand down inside the clipping box and also into the ingot box which contained the gold blanks, and as he put his hand in there Mr. Morrison said he heard a piece of coin, or heard the blank, drop from his hand.

Just at that point I was going around the scales and he called to me.

Mr. Downer:

After Mr. Morrison had told you this as you stated, do you recall what was said then? You and Morrison were together now? Ans. Yes. As I understand it you were in the Melting Room? Ans. Yes, I followed him out.

Mr. Downer:

Mr. Schell being in the Make Up Room?

Mr. Pughe:

Yes. -- Mr. Morrison and I talked for a few minutes in regard to the matter, and, upon my suggestion I think it was, we thought we had better go in and bring the matter up to Mr. Schell. We did so.

Mr. Downer:

Now Mr. Pughe as nearly as you can state who spoke and what he said and how the matter was brought to Mr. Schell, as near as you can remember it of course.

Mr. Pughe:

When we reached Mr. Schell at his desk in the Make Up Room I said to him, I said "Pete, the reason Dick called for a re-weigh of that box of gold clippings was on account of a blank being taken from the box as it was taken into the Ingot Melting Room." Schell seemed slightly surprised, and asked me who it was that took the blank according to Mr. Morrison. I told him that Dick accused him of taking it, that he saw him reach into the box as he stopped to open the door. Then Schell kind of smiled and said "Why what are you talking about?" Then Dick explained to him fully just what he had seen and told him what he had done. Then Schell said, "why boy what do you think I have been in the service thirty years for to permit myself to do an act of that kind?" Then they had a rather spirited discussion, and just then some one else came into the Make Up Room and the discussion subsided, and I withdrew to draw this other party away, and Mr. Morrison and Mr. Schell continued for some five or ten minutes. I did not hear what was said after that only in snatches, and after that Mr. Morrison told me that while I was away he had accused Schell of doing that same thing about a year ago with a box of tops, having taken, as he thought a top from the box. He was also surprised, he said he could not believe his own eyes, but he thought about it, and had not mentioned it to any one until this thing occurred Thursday.

Since then Schell has said nothing to either Mr. Morrison or myself in regard to the matter, but Mr. Morrison and myself have discussed it ~~several~~--once or twice.

Mr. Downer:

Mr. Schell has never referred to it? Ans. No. Q. You have been with him every day? Ans. Yes. Q. Not in any way? Ans. Not in any way. And yesterday Dick told me the same thing, that he had not said anything to him about it.

Mr. Downer:

Now, Mr. Pughe, did you hear at any time in ~~your~~ ^{the} talk between yourself and Morrison and Schell with reference to this transaction--did you at any time hear Mr. Schell say something like this in response to the charge "That if he had taken it he would not admit it?"

Mr. Pughe:

No I did not hear it.

Mr. Milsom:

What was Schell's attitude -- was he indignant, or what was his attitude at the time Dick accused him of it?

Mr. Pughe:

At first he seemed rather puzzled. Then he smiled, in fact kind of laughed, and tried to pass it off as being something absurd, and that Dick was certainly mistaken.

Mr. Milsom:

Did he seem at any time indignant about it?

Mr. Pughe:

Yes, he did, after they had discussed the matter for some little time. Just before this fourth party came into the room he seemed to be becoming indignant.

Mr. Downer:

This may be a pretty hard question to answer, but I think it will throw some light on the subject. I want to ask you what impression the attitude of Mr. Schell when confronted with this charge had on you as to whether he was guilty or innocent?

Mr. Pughe:

He impressed me at first as being very much puzzled and worried over the matter, but as the discussion continued he seemed to become much more calm and controlled.

Mr. Downer:

That does not quite answer my question. It is pretty hard Frank, I know that.

Mr. Pughe:

You want to know the impression he made on me by his attitude as to his innocence or guilt when confronted with this charge?

Mr. Downer:

Yes, when confronted with this charge. I regard that question as important from the fact that anybody who is actually present and hears the charge made and sees the attitude of the one charged, can much better form an opinion as to whether guilty or innocent.

Mr. Pughe:

His explanation from the beginning was not satisfactory to me to explain his actions according to Mr. Morrison's accusation.

Mr. Downer:

That's what I wanted to get at. After that as I understand it you and Mr. Morrison went and told Mr. Milsom.

Mr. Pughe:-

Yes Mr. Morrison went in and they were discussing it when I came into the office.

Mr. Leech:

I was going to suggest, Mr. Downer, to ask Frank if, prior to this occurrence, there has ever been a time when he had any reason whatever for questioning the honesty of Mr. Schell.

Mr. Pughe:

Never in the slightest. Never had the least suspicion, never in anything he has said, or anything he has done or in his actions.

Mr. Downer:

Are you familiar with Mr. Schell's mode of living?

Mr. Pughe:

I am somewhat familiar with it. I have become quite intimate with he and his wife and have been at their house quite often.

Mr. Downer:

Does he get along pretty well do you judge?

Mr. Pughe:

Yes, I think he does. I think Mrs. Schell also is quite an economical ~~woman~~ person.

Mr. Leech:

Just inform me Frank - has he any income outside of his salary?

Mr. Pughe:

I don't know of any Mr. Pughe- Leech. I do know of some investment that we have made together in the last year, but up to the present there has been no income from that. I say no - there was one small dividend paid about last July.

Mr. Leech:

What I meant was had he any resources?

Mr. Pughe:

No - Well - he might. I don't know but what he has some property in California.

Mr. Milsom:

About how much was the investment that you know of his making?

Mr. Pughe:

Approximately I would say about \$1500 or \$2000.

Mr. Milsom:

What date was that?

Mr. Pughe:

Well, this commenced in the early part of March 1907.

Mr. Milsom:

And extended to about what time?

Mr. Pughe -

Well I would say that it extended to the early part of January of this year?

Mr. Milsom:

Running along in approximately equal monthly payments? or otherwise?

Mr. Pughe:

No, some of the payments at first were on the installment plan every two months I believe, but at times I have known that he made payments of \$500 or \$600. I know of one time the payment reached that amount.

Mr. Downer:

Now, Mr. Pughe, of course I don't want to delve into Mr. Schell's private business unduly, and I know that some of the questions that are being asked are not very pleasant for you to answer with reference to Mr. Schell. I want to ask you this - Have you any knowledge from what he said, or your own knowledge, as to where this money that he invested as you stated came from, either his own private resources or his wife's, or from source he derived the funds?
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Mr. Pughe:

Most of it came from what he has told me from his own deposit from the bank he had his deposits in, but on one or two occasions he said his wife advanced some for him to make some payments.

Mr. Downer:

Is there anything you can tell us Frank that will throw any light on the whole thing?

Mr. Pughe:

No.- Up to this time I have not had any occasion to question his words or acts. I have been associated with him for some time and respected his honesty and integrity highly.

Mr. Downer:

Did he have any resources when he came here beside what has accumulated from his wages?

Mr. Pughe:

They had money when they came here. I don't know how much but they had some.

MR. SCHELL'S TESTIMONY.

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Mr. Downer:

Mr. Schell -

Mr. Schell:

Mr. Downer -

Mr. Downer:

There has been a very serious charge made against you and I have called you in here to see what you have to say about it.

Mr. Schell:

I have nothing to say, Mr. Downer, except straight truth.

Mr. Downer:

Wait until I get through with what I have to say and you can make whatever statement you have to make. Whatever you say will be taken down by my Secretary here and I should like to have you speak slow so that she can take it down as you say it.

The charge has been made by Mr. Morrison, Foreman of the Ingot Melting Room, and is in substance this:- On last Thursday when there was a delivery of clippings and chips and little pieces of gold returned by the Coiner of course by the Transfer Weigh Room., Mr. Morrison states positively that he saw you reach into the box and take therefrom a piece of metal. He saw it in your fingers, these two fingers here (indicating index and middle fingers). He thinks it was an imperfect blank. He saw you put it into the pocket of your apron. He then, after some little consideration, came back into the Make Up Room and asked Mr. Pughe to re-weigh that draft, and states that while Mr. Pughe was getting ready to do so, or at least while he was engaged with the scales, you came up to the box and put your hand into the box, and that he heard a piece drop from your hand into the ingot box - that he then told Mr. Pughe that it was all right, that it was not necessary to re-weigh the draft.

That is the substance of what Mr. Morrison stated to me and to these other people who are present here. You are asked to come in here so that you may make whatever statement you may desire.

I will say in addition to what I have already said in regard to what Mr. Morrison stated, that in many important particulars this charge is substantiated by the testimony of Mr. Pughe which was had here before lunch.

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Mr. Schell:-

Well, I can only state, Gentlemen, that I took no coins, or blanks, or anything out of the box. I pulled it out into the Melting Room as is customary, and had gone over and picked up the paper to finish reading a little article, and Frank spoke to me and asked me if I noticed whether Mr. Whitney had the balance weight on the scales, that is for the pan, and I told him I didn't know. Just about that time Mr. Morrison brought the truck of metal back into the room. Naturally supposing that he wanted to re-weigh it I took hold of the box of blanks intending to lift them out of the clipping box to weigh them. Then that is as far as I can go. I supposed he wanted to weigh them at once and took hold commencing to help do it. The idea of my caring for a piece of that kind was so darn preposterous. Now, Mr. Downer, I can not think of anything more to say. -----
-----I took hold of that box by the handles and started to lift it out, but before I could take it out, or get a hold of it, Mr. Morrison said to Mr. Pughe, "that will do" or something of the kind.

Mr. Downer:

What occurred after that?

Mr. Schell:

Mr. Morrison spoke to me about it and it seemed so folly and so foolish to me that I didn't give it any thought after that - took it as a matter of course. I did not take any piece out of the box or put any piece back or anything of that kind.

Mr. Downer:

Is that the last thought you have given to the matter?

Mr. Schell:

I expected to have Mr. Milsom speak to me of it because I naturally supposed Mr. Morrison would speak to him about it.

-----Mr. Downer:

Was Mr. Pughe there when Mr. Morrison made this accusation?

Mr. Schell:

Yes sir, they were together - they were sitting on the desk right by me.

Mr. Downer:

Have you said anything about it to Mr. Pughe since? Ans. Not a word sir. Q. Have you said anything about it to Mr. Morrison since?

Ans. Not a word sir.

Mr. Downer:

Is that all you have to say about the occurrence?

Mr. Schell:

I don't know what else I could say, Mr. Downer, that is all there is to it. I can only state emphatically and positively, under any circumstances, that I took nothing out of the box, put nothing in the box. I hurried to re-weigh the work that it might go back into the Melting room, Mr. Pughe having asked the question if I had noticed whether the balance weight was on.

Mr. Downer:

Now Mr. Schell you make the statement that you have just made in relation to this occurrence knowing that I have stated to you that Mr. Morrison has testified explicitly, unqualifiedly, so that there could be no possible misunderstanding about it, that he saw you take a piece of metal from that box at the door of the Ingot Melting Room, saw you put that into the pocket of your apron, and when the truck having been brought back was in front of the scales there (that is the Melter and Refiner's scales) for the purpose of being re-weighed - saw you again come up to that box and put your hand in it and heard the metal strike with the other metal in the box. ?

Mr. Schell:

The small box was in the long clippings box. I reached in the long clippings box to take out the smaller box with the scraps to weigh. I can not think of any more than that. That was my movements there. I took hold of the small box intending to dump it into the pan to re-weigh it. I think that's about everything Mr. Downer that I can say about it. Whether I put anything in my apron or not - my pipe or rubber cigar holder - after coming out of the room, I don't know. But, I do know most assuredly that I put no blank in the pocket of my apron, or no piece of blank, nor anything out of that box, nor did I put anything back into it.

Mr. Downer:

Then if I understand your answer to my question - you fully deny-
---(interrupted)

Mr. Schell:

Mr. Downer, if there was any way to emphasize my denial, I want to be told what it is. I want to make it as firm and as strong as possible.

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Mr. Milsom:

Mr. Schell - when you reached the door of the Ingot Melting Room for the purpose of taking in the truck containing the clippings you sent Mr. ---Who was assisting at that time with the truck?

Mr. Schell:

One of the Spencers I think - one of the Spencer boys.

-----Mr. Milsom: Was it Joe Spencer? Ans. Yes- I think so.

Mr. Milsom:

Did you send him back when you got to the door of the Ingot Room? to get another truck?

Mr. Schell:

I told him to take a box from the rack and put on a truck. There was one standing on end that needed repairing, and I didn't want him to use it. Thinking he would take it I spoke to him to take one of the other boxes on the pile up there and put on the truck- not the ones on the floor.

Mr. Milson:

At that time did you turn back the handle of the truck that you were pulling against the box that was on the truck?

Mr. Schell:

I don't know whether I did or not. If the door was closed-----

Mr. Milson:

The door was closed.

Mr. Schell: continuing--

Then I certainly put the handle back to open the door.

Mr. Milson:

Precisely - do you remember which hand you used in reaching to open the door? Could you say which hand it was?

Mr. Schell:

No. I don't know that I could. I don't know which way I was facing, but naturally would suppose I would take my left hand if I was pulling the truck out with my right, but I wouldn't swear, I couldn't state which hand I used, but naturally it would be the left hand, pulling the truck with my right.

Mr. Milson:

It might have been your right hand that you opened the door with. If you were pulling the truck with your left hand as you came up to the door of the Ingot Melting Room, and put back the handle of the truck, would it be natural for you to reach out with your right hand to pull the door open?

Mr. Schell:

If I was pulling the truck with my left hand.

Mr. Milson:

Why did you tell Spencer to get a box and go back for another truck?

Mr. Schell:

We had to get another box. I had discovered that on one of them the soldering had broken up the side. We had to set that to one side that it might be taken up stairs to be repaired. I was afraid that Mr. Spencer would put that box on the truck that was standing by it on its end. So I wanted one taken down from the side of the wall.

Mr. Milson:

Is it customary for Mr. Spencer, or the person who is helping you, to take the boxes back to receive transfers from the transfer scale? or is that a duty that you usually perform?

Mr. Schell:

Why they generally help us get those big boxes down. If they don't Frank always does if they are piled over the second or third high.

Mr. Milson:

When you brought the box on the truck back into the Make Up Room for re-weighing and reached into the Clippings Box to take out the smaller box containing the imperfect coins and scraps, what was said and by whom at that time that caused you to stop?

Mr. Schell:

Mr. Morrison said - "Never mind" or something like that.

Mr. Milson.

Was that all he said?

Mr. Schell:

That's all I can recall he said, "it aint necessary" or something like that. I don't remember or recall any exact words that was said in regard to it any more than we would not weight it.

Mr. Milson:

Was this said to you at that time by Mr. Morrison? - "Pete I saw you do it, and I don't care to have them re-weighed now, you have put it back," or words to that effect?

Mr. Schell:

Most assuredly not - Mr. Milson. He never used any such expression to me. I certainly would have heard it. My hearing is good if my eye isn't. He certainly never made any such remark.

Mr. Milson.

If the third party was present at that time and corroborated Mr. Morrison's statement with reference to the last question would you still deny that it was said?

Mr. Schell:

Mr. Schell:

I would have to deny it Mr. Milson, not catching or hearing any such remark any more than "Never mind, we will not weigh it." ---I want to state to you people that I didn't hear Mr. Morrison say (what was it you said?) "Never mind Pete, I don't want it re-weighed?" - In fact I don't know that I was especially listening. He said not to weigh it and I stopped.

Mr. Milson:

When Mr. Morrison and Mr. Pughe came to you and accused you first of taking out the blank, a \$20 gold blank, and then returning it, did Mr. Morrison or Mr. Pughe at that time refer to having seen anything of a like nature with reference to you heretofore?

Mr. Morrison did all the talking and he said something about a year or more ago he had seen something of the kind.

Mr. Milson:

What was it?

Mr. Schell:

Well, now I can't remember. I didn't pay any more than ordinary attention to it because I knew that there was positively no grounds for any such accusation.

Mr. Milson:

Did he say anything in reference to an ingot top referring to what he thought he had seen about a year ago?

Mr. Schell:

Now that you recall it I think he did say something about an ingot top.

Mr. Milson:

What did he say?

Mr. Schell:

Why, he said that about a year or more ago he thought he saw the same party----

Mr. Milson:

Well - who?

Mr. Schell:

Me (now that you recall it I remember) take an ingot top - over a year ago. That is all.

Mr. Milson:

Did you deny both accusations?

Mr. Schell:

I most certainly did.

Mr. Milson:

Did you also say as a part of your denial that "even if it were true you would deny it?"

Mr. Schell:

I don't think I used any such expression as that Mr. Milson. I certainly denied it.

Mr. Milson:

You would not say positively that you did not say it?

Mr. Schell:

I most positively say that I would not say that any such thing was true because such a thing didn't occur to me.

.....

Mr. Downer:

Suppose, Mr. Schell, that Mr. Morrison said in that conversation that you said "you would deny it even if it were true," and suppose Mr. Morrison's statement in reference to that is corroborated by Mr. Pughe?

Mr. Schell:

I would still deny it Mr. Downer. I say I said no such thing, -- that I would deny it if it was true (if that is what you said.) I simply want to state that I deny making any such remark, to the effect that I would deny it if it was true.

Mr. Milson:

Have you ever had any trouble of any kind with either Mr. Morrison or Mr. Pughe?

Mr. Schell-

Never to my knowledge. I have always looked upon them both with especial favor and thought they did me.

Mr. Downer:

Mr. Downer:

Then there can not be in your mind with reference to either one of those gentlemen any idea that they would manufacture a story of this kind against you to injure you.

Mr. Schell:

I dont know of any reason in the world why they should, Mr. Downer. In fact I never would think that they would. I should certainly feel very much astonished if I would be convinced that either Mr. Pughe or Mr. Morrison would do me an injury, or try to do me an injury, as I have always looked upon them both as friendly towards me.

Mr. Downer:

When Mr. Morrison brought that truck load back into the Make Up Room what caused you to think that he brought it back for the purpose of having it re-weighed?

Mr. Schell:

Because Mr. Pughe had asked me if I had noticed that Mr. Whitney had the balance weight on the scales.

Mr. Downer:

Had he asked you prior to this occurrence?

Mr. Schell:

Yes, sir, prior to this occurrence, between the vault and the scales.

Mr. Downer:

Did you hear Mr. Morrison say that he wanted the draft re-weighed?

Mr. Schell:

No sir:

Mr. Downer:

You did not hear that? Ans. No sir:

Mr. Schell :

Let me state my case. (granted)

Mr. Pughe called to me and asked me if I knew whether Mr. Whitney had the balance weight on the scales. That was before the metal was brought back into the room. Does that answer the question?

Mr. Downer:

Yes, I think so.

- - - - -

Mr. Leech:

Mr. Schell, when you were pulling that truck with this box from the Make Up Room to the Melting Room and stopped to open the door, at that time had you any metal in your hand (when you started to pull the thing in) out of the box?

Mr. Schell:

No sir, no metal in my hand. I might have had my gloves in my hand, or my pipe, or rubber cigar holder, but no metal.

Mr. Leech:

Do you wear any gold rings on your fingers? Anything that could be mistaken for a clank?

Mr. Schell:

Yes, I have a ring, one with a Colorado stone in it, that I wear very frequently.

Mr. Leech:

You were not carrying a piece of copper in your hand at that time?

Mr. Schell:

No sir, no metal in my hand.

Mr. Leech

Was there any occasion for your putting your hand in your pocket that you can remember of?

Mr. Schell:

No. I cant think of any occasion, unless I had my pipe in my hand, as I say, or my gloves. I can not think of anything.

Mr. Leech:

What was Spencer doing in the way of helping take that draft in there or was he helping?

Mr. Schell:

We always have help from the Melting Room to help take transfers.

Schell:

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Mr. Leech:

This is what I am trying to get at - - in taking the draft (you were taking it to the Ingot Room) was he pushing or helping you in any way?

Mr. Schell:

I think that he was.

Mr. Leech:

He was pushing?

Mr. Schell:

He was helping me to load these clippings- these blanks.

Mr. Leech:

I wanted to find out if he was giving you any assistance - if he was assisting you from the rear - with that melt - taking it in. Why would you dispense with his services right at the door where the incline is?

Mr. Schell:

I don't have assistance one load in twenty - unless very large.

Mr. Leech:

I thought you just said you generally had assistance.

Mr. Schell:

Yes sir, around the scales - to take the clippings off the scales and such things as that. If we have two big boxes of clippings there might somebody push it back in, but one box - or three or four melts - we put it out ourselves.

Mr. Leech:

Then you don't have any distinct recollection of having been assisted by Mr. Spencer in taking this into the ingot room?

Mr. Schell:

I don't remember Mr. Spencer helping me further than to help unload the scales, as it was a light draft. I started taking it into the Melting Room, and requiring another box I told him not to take the one standing on end, but get one of the ones in the back.

Mr. Leech:

Well- was he actually following you into the Melting Room- was he leaving the Make Up Room at that time to go back to his work or help you through the door?

Mr. Schell:

No sir, we were to take more clippings for the next day. He was going back into the ingot room as I remember it now.

Mr. Downer:

Now Mr. Schell, as I understand it, when this accusation was made against you, you were sitting at the desk, after this had all occurred and both Mr. Morrison and Mr. Pughe were there at that time. You were the only three there at that time?

Mr. Schell:

Yes, sir that was all. When this accusation was made against you in the presence of Mr. Pughe did you express or feel any indignation at all?

Mr. Schell:

I certainly did.

Mr. Downer:

When the charge was made by Mr. Morrison that on a former occasion he saw you take a piece of metal - did you express any indignation at that?

Mr. Schell:

I certainly did at any such charge, and I expected to be called before Mr. Milsom the same day if he was in the office, but he wasn't. That is why I waited Mr. Downer.

Mr. Downer:

Your relations with Mr. Pughe are friendly? Ans. Yes sir. Q. You are with him a good deal of the time during business hours? Ans. Yes sir. You see a good deal of him outside of business hours do you not? Ans. Yes sir. Ans. Since that occurrence on Thursday when a most serious charge was made against you by Mr. Morrison, although you have been with Mr. Pughe, you have made no reference to it have you?

Mr. Schell:

I have not nor did I intend to until I had been spoken to by Mr. Milsom or the authorities here.

Mr. Downer:

Now, Mr. Schell - here is the situation about this.

A most serious charge is made against you by Mr. Morrison, not something from hear say, but he states positively and unequivocally that he saw you take from that box a piece of metal. He states positively and emphatically and explicitly without any equivocation at all that he saw that piece of metal between your two fingers (illustrating) and that he saw you put it into the pocket of your apron.

He then goes on to state the occurrence - how the metal was brought back into the Make Up Room for the purpose of re-weighing. The purpose of that in his mind is entirely clear. He wanted to show by the weight that there was something missing there. He then states that before that object could be accomplished (he does not state this from hearsay) he states he saw it with his own eyes, he states it emphatically and unequivocally, that he saw you put your hand down into the box, that he heard the blank, or piece of metal or whatever it was, drop from your hand into the other metal that was in that box, that he then said to you - "it is all right, Pete, I saw it."

Now for all those things that I have stated I have Mr. Morrison's solemn statement. I also have his solemn statement that on a prior occasion he saw you take a top, containing he guessed, about three ounces. I want to state again that he don't state that he thinks you did this thing, but that he knows you did these things because he saw you do these things.

Now what presumption does that naturally raise in the minds of your Chief, Mr. Milsom, and myself, who are here charged with the safe custody of every penny weight of metal that belongs to the United States Government. We have sworn to safe guard that, and we have here the statement of a fellow workman of yours, an employe of this institution, who, from all that we can gather, both from himself and from you, has absolutely no reason to desire to do you an injury. We have his statement corroborated in many important particulars by Mr. Pughe, another fellow employe, and one who states, and whom you state, has no reason to do you any injury.

I am just stating this to you so that you may see what the natural presumption is in our minds with reference to these matters.

You have been called in here to give you every reasonable chance to refute the accusations that are thus made against you. You have denied emphatically every essential point in the charges, so that we have on the one hand the positive, unequivocal, emphatic statement of Mr. Morrison that you did these things (repeated). We have it corroborated (I am repeating so as to make it plain to you - I want to make it absolutely clear to you just what position we find ourselves in reference to you and this charge) we have it corroborated in many important particulars by Mr. Pughe. Over against this we have your positive denial.

Now, I want to ask you, under those circumstances, what must we, or any other two men who want to be absolutely just - think?

Mr. Schell:

Gentlemen, I can not make my denial of those charges too strong. You state that Mr. Morrison states emphatically, without doubt that I did do these things. I state just as strongly that I did not do these things, and I have told just as near as I can just how everything was said and done that morning.

Mr. Downer:

Mr. Schell, you have not answered my question.

Mr. Schell:

How do you mean answer my question, Mr. Downer - for me to tell you gentlemen what to do?

Mr. Downer:

No - I asked you what, in your opinion, in view of the circumstances which I have stated - must we think?

Mr. Schell:

Well thats a rather delicate question for me to answer Mr. Downer. I deny the charges emphatically. You say that the man that m kes them does it just as emphatically that I did do these things that I deny.

Mr. Downer:

Now Mr, Schell, in view of the gravity of these charges as considered by us, I am going to ask you some very personal questions. With these serious charges as my warrant for it, I do not need to assure you that, so far as Mr. Milson and myself are concerned, we are absolutely determined that absolute justice shall be done to you in this matter. We have shown, both of us, our disposition towards you, I think. With as a prelude I am going to ask you a number of questions, to which I shall expect true answers.

Mr. Schell - how long have you been in the Government Service?

Mr. Schell :

Since 1875.

Mr. Downer:

Have you been continuously employed from the time of your first employment in 1875? How long did you continue without interruption in the employe of the Government?

Mr. Schell:

I think it was up to 1885 or 6, somewhere about there.

Mr. Downer:

That is approximately ? Ans. yes. Q. What caused you to leave the Government employe at or about 1885?

Mr.. Schell:

Something like 30 or 40 odd men were let out at one time at the San Francisco Mint.

Mr. Downer:

Who was Superintendent of the San Francisco Mint at that time?

Mr. Schell:

Now I think it was Mr. Burchard.

Mr. Downer:

That was the Superintendent? Ans. Yes, I think his name was Burchard. When did you again enter? Ans. Under Mr. Daggett.

Mr. Downer:

What year was that?

Mr. Schell.

About 1893 I think - somewhere along there. 1893 or 4, while Governor Daggett was Superintendent.

Mr. Downer:

What was your employment from 1885 or whatever time you were out of the Mint service up to the time you returned in 1893.

Mr. Schell:

Part of the time I was a traveling man (or salesman I guess you call it) on the road, part of the time City salesman in San Francisco and in the dry dock business with my brother-in-law.

Mr. Downer:

After you returned to the Mint Service in 1893 how long were you employed in the Mint?

Mr. Schell:

Until I came here? Ans. Yes.

Until the first of September, and I came here on the 4th of Nov.

Mr. Downer:

What year was it you came here?

Mr. Schell:

Two years ago last November. Q. 1905. Ans. Yes.

Mr. Downer:

Did you resign from your place in the S. F. Mint? in 1905. Ans. No. sir. Q. Were you on furlough?

Mr. Schell:

Well now I dont know Mr. Downer whether I was on furlough or not. I was out with a number of others expecting to go back when the work resumed.

Mr. Downer:

Mr. Frank A. Leach, who is now Director of the Mint was Superintenden of the San Francisco Mint at that time? Ans. Yes sir.

Mr. Downer:

Did you voluntarily cease your work? There must have been some action what action was taken?

Mr. Schell:

There were, I suppose, as many as 35 or 36 laid off, quite a number of them, more than that maybe, taking ladies and all together.

Mr. Downer:

Did you expect to go back there?

Mr. Schell:

When the work was resumed. I don't know any reasons why I shouldn't.

Mr. Downer:

Now Mr. Schell, while you were employed in the San Francisco Mint, was there at any time any question raised by anybody as to your honesty and integrity?

Mr. Schell:

Now as to my honesty and integrity there was one raised in regard to a scarf pin that a number of people were asked about - I among the rest - because my locker was right immediately next this man's locker, and we all undressed and dressed in the same little corner under the steps, but I never considered that I was suspected. I was simply asked as to who was around the lockers, and who visited and dressed and undressed among them. That is to me personally and for my own individual self - no sir. That matter was with everybody in that corner of the room.

Mr. Downer:

Were you at that time questioned in regard to the matter?

Mr. Schell:

As to whom I had seen around there and who dressed and undressed around those steps.

Mr. Downer:

Who questioned you?

Mr. Schell:

Mr. Leach I thin. I know it was Mr. Leach.

Mr. Downer:

You were called to the officer were you?

Mr. Schell:

Yes sir there were a dozen or more called.

Mr. Downer:

Can you tell me Mr. Schell, approximately the date of that occurrence

Mr. Schell:

No sir - I can not. I have no way, Mr. Downer, of knowing anything about it, but I will explain to Mr. Leech, and he will understand why I say I was called in with the others. (To Mr. Leech) You remember the location of the Cutting & Annealing Rooms? (Mr. Leech ans. yes) and at the foot of those stairs were some lockers - do you remember those Mr. Leech? (Mr. L. - No I don't remember the lockers.)

Mr. Downer:

Now Mr. Schell I want you to fix approximately the date of that occurrence.

Mr. Schell:

Well I don't know what to go on Mr. Downer to fix it. It did not impress me with anything to remember it from. It appeared to me as a matter of ---Well, I don't know what to liken it to---There was no occasion to impress me with it.

Mr. Downer:

Mr. Schell, you seem to be a pretty hard man to impress with matters of that kind. A little accusation of that character seems to run off your back like water off a duck. It seems to me a matter of that kind, and this occurrence here the other day where a serious accusation of that character is made would make some sort of an impression on an ordinary man.

Mr. Schell:

The one made the other day has made a lasting impression that I will always remember and never forget. I took that as a personal matter, the other not at all. I kept quiet about it until Mr. Milson, my Superior Officer was notified of it, naturally knowing it would go to Mr. Downer. The impression is one that will last forever.

Mr. Downer:

Now, Mr. Schell, as to the occurrence at San Francisco, you, on that occasion, were called to Mr. Leache's office were you not?

Mr. Schell:

Yes sir.

Mr. Downer:

You were there with Mr. Leach alone?

Mr. Schell:

I think there was nobody else in the room, Mr. Downer - Mr. Day the Chief Clerk might have been there, and while we are at it let me state another case - At one time there all the locker keys of the entire building, each and every man's, were taken up, but that made no impression on me, because it wasn't me any more than any man in the building. Somebody had been taking money from the lockers, but I was never called into the office on it.

Mr. Downer:

On the occasion of your being called into the office, Mr. Leache's office in San Francisco, were there any officers in the building at that time.

Mr. Schell:

How do you mean officers, Mr. Downer?

Mr. Downer:

I mean detectives.

Mr. Schell:

No - not so far as I know.

Mr. Downer:

What did Mr. Leach ask you?

Mr. Schell:

Well, now as nearly as I can remember he asked who I had seen around the lockers that day, whom I had seen when changing my clothes, if I had been down stairs in the mean time - questions along that line.

Mr. Downer:

What, do you take it, was the reason for these questions?

Mr. Schell:

He told me the reasons for these questions - that someone had lost a pin out of his locker. I was questioned same as everybody dressing in this same circle of lockers, as to who was around, but there was no such accusation as "Mr. Schell, you took the man's pin."

Mr. Downer:

Were these people that were called in searched at that time? Ans. No sir. Q. You were not. Ans. No sir.

Mr. Downer:

What particular work were you doing in the Mint at that time?

Mr. Schell:

Well, Mr. Downer, I couldn't tell you what room I was in that day, or that week. I worked in each and every room under the Coiner, in the absence of anybody when they needed help. I was considered proficient in my line of the Coiner's work.

Mr. Downer:

You were changed about considerably?

Mr. Schell:

When I was detailed in the Press Room, I was frequently called out to act as Weigher in the Cutting Room and in the Rolling Room and to work in any of the rooms, but my detail was in the press room for a very long time. The last time I was there for a number of years. If a weigher was shy in the Cutting Room I would go out there and weigh.

Mr. Downer:

What did you do right away after this? what particular work did you perform?

Mr. Schell:

It is impossible to state what special room I was in any special time or occasion, as I was frequently detailed from the Press Room into the other Rooms.

Mr. Downer:

After this occurrence did your general occupation continue as it had theretofore, being first one place, then another?

Mr. Schell:

Just the same as usual and customary - as it had been - Yes sir.

Mr. Downer:

Was any suspicion ever directed against you on any occasion while you were in the San Francisco Mint? Answer yes or no.

Mr. Schell:

No sir:

Mr. Downer:

I want to know whether you were ever suspicioned for a dishonest or dishonorable act while in the San Francisco Mint, by the Coiner, the Superintendent, the Chief Clerk, the Captain of the Watch, or anybody in authority there. Answer yes or no. Ans. No.

Mr. Downer:

Were you ever accused of any dishonest act while you were there?

Mr. Schell:

No sir, I was never directly accused of any dishonest act.

Mr. Downer:

Were you ever accused indirectly?

Mr. Schell:

Well now there when my keys were taken up with all the rest, that was indirect one. When we were called up after the loss of this pin that was indirect - I imagine it was indirectly because we were questioned as to the location of these lockers, who had these lockers and who dressed and undressed in the corner.

Mr. Downer:

As I told you, Mr. Schell, in view of the gravity and directness of the charge that has been made against you by Mr. Morrison, I feel it my duty to ask you some very direct, and what, under ordinary circumstances might be considered personal, perhaps. With that explanation I go ahead.

Mr. Downer:

When you came here, Mr. Schell, in the fall of 1905, did you have any considerable amount of money?

Mr. Schell:

Yes sir, I had some money. What do you call a considerable amount of money, Mr. Downer?

Mr. Downer:

You did not answer the question. Answer the question.

Mr. Schell:

Well, I suppose I could command two or three thousand dollars. Yes sir.

Mr. Downer:

Do you recall that about that time I had a communication from some one in San Francisco concerning a bill which you owed them? Ans. Yes sir. Do you recall what you said concerning that bill at the time? Ans. I do sir. Q. What was that? Ans. That I didn't have the money then. Q. Did you say anything about paying it just as soon as you could? Ans. Yes sir: Q. Have you paid it since? Ans. No sir. Q. Why haven't you paid it? Ans. It was only security for the party who originally owed the bill.

Mr. Leach:

It was a judgement, as I recollect, against Mt. Schell.

Mr. Schell.

Yes, sir, on an endorsed note.

Mr. Downer:

Was it your purpose to pay it at the time I talked with you about it? Ans. If the other party did not, yes sir. It was my purpose. Q. Has the other party paid it? Ans. I have never heard anything in regard to it since the day you spoke to me here. I wrote to the party and told him what had been done, and he wrote to me saying that he would attend to it, as for my telling him it would jeopardize my position.

Mr. Milson.

You say that when you came here you could command two or three thousand dollars. How did you come to inform Mr. Downer that you could command that much?

Mr. Schell.

I did not have the cash then.

Mr. Milsom:

If you did not have any cash how could you command two or three thousand dollars?

Mr. Schell.

There are a great many commodities we have that we can raise cash on.

Mr. Downer:

Have you, Mr. Schell, since your employment in the Denver Mint disposed of to anyone any bullion or precious metal of any kind.

Ans. No sir. Q. Where do you keep a bank account? Ans.

Corner of 15th and Arapahoe. Q. What is the name of the bank?

Ans. Central Savings Bank - recommended by Mr. Pughe through his brother-in-law.

Mr. Milsom:

How much have you at this time in ready money that you can command?

Ans. About eighteen or nineteen hundred dollars ready money. Q.

approximately? Ans. yes. Q. How much have you invested since you have been here? Q. Of my own, Ans. How much for yourself and others have you invested since you have been here?

Mr. Schell:

About \$1500, or something like that, on Mr. Pughe's father's recommendation and on Mr. Pughe's recommendation.

Mr. Milsom:

How much of that was your own money?

Mr. Schell.

About one third of it.

Most of that was mine that I got in commissions.

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Mr. Downer:

Dick, Mr. Milsom just told me of an occurrence that took place in the Make Up Room last Thursday. I wish you would state in your own words just exactly what occurred there on that occasion, making your statement just as full and complete as you can in connection with the case.

Dick:

Well, we had just received a transfer of clippings from the Coining Department. With them there were some ends and pieces sorted out from the assorted blanks. Those blanks were put in the bottom of a pan to be weighed.

Mr. Leech:

These were gold?

Dick:

Yes sir, double eagles, and they were dumped in an ingot box and put on top of the clippings in the clippings box, and on a truck to be taken into the Melting Room.

Mr. Downer:

Can you tell about what hour this was?

Dick:

I would judge about 9 o'clock in the morning, I did not notice the time closely. -- I had one man with Mr. Schell to take those clippings into the Melting Room.

Mr. Downer:

Who was the man?

Mr. Morrison:

Joe Spencer. -- Schell was pulling the truck and Spencer was behind him. Schell turned to Spencer and told him to get another truck and another box for the balance of a transfer of clippings -- gold clippings, -- and as he did so he turned the corner in the Make Up Room as you go into the Melting Room, and as I saw my man go back I stepped in behind. I saw him turn the knob of the door with his left hand, put his right hand into the ingot box of imperfect blanks. He held between the last two fingers and palm of his hand while he wheeled the truck through the door and into the room (Meltg. Rm.)

Mr. Leech:

Was this one blank?

Mr. Morrison:

Yes sir.

Mr. Downer:

Could you see the blank in his hand?

Mr. Morrison:

Yes, I saw his fingers close on it, -- whether it was a complete 20 blank or not I don't know. When he turned to leave the room he slipped it into his apron pocket.

Mr. Downer:

He left you at the door did he?

Mr. Morrison:

Yes, he left me in the room -- I had gone in with him, that is, following him. -- I waited some few moments, wondering in my own mind what to do. I went back and asked Mr. Pughe, the Make Up man--
(interrupted.

Mr. Downer:

Was Pughe there at this time.

Mr. Morrison:

He was in the Make Up Room. -- I asked Mr. Pughe for a re-weigh of the clippings which he had turned over to me without explaining to him why. I had the clippings brought into the room by the same man, Joe Spencer. I came in with him, and as they were hauled up in front of the scales to be re-weighed I watched Mr. Schell,

and saw him take something out of his pocket and put his hand inside of the clippings box, that is, inside the ingot box, and then saw him drop his gold blank.

Mr. Downer:

Did you hear it fall?

Mr. Morrison:

Yes, I saw him drop it.

Mr. Leech:

Could any one else see it? Was there any one else in the room?

Mr. Morrison:

Yes, Pughe, but he had his back turned.

The instant I saw him do that I spoke to him saying " All right, Pete, I saw that; I don't care for a re-weigh." Mr. Pughe turned to me and asked me what the trouble was. I told him never mind the re-weighing. I then called him out and explained to him the reason for my actions. We decided to both together accuse the man, which we did, going back into the Make Up Room to do so. We got no satisfaction out of him.

Mr. Downer:

What did you say to Mr. Schell when you accused him?

Mr. Morrison:

Frank spoke to him and told him the reason I had asked for a re-weigh - that I thought he had one of the blanks from that weigh in his apron pocket. He slightly smiled and had little to say about it. Then I told him the exact circumstances before Frank.

Mr. Downer:

Was Spencer there? Ans. - No. Nobody else could have heard this?
Ans. No.

Mr. Morrison:

He tried to explain his actions in the changing back and forth of the clippings, saying that he had done nothing of the kind, that he was in a hurry to read the paper, and thought they must be weighed hurriedly. He made what we both considered a very weak denial, and he has said nothing further to either of us since about it.

Mr. Downer+ Leech.

He denied taking it?

Mr. Morrison:

Well, no, Mr. Leech. He seemed to treat it as a joke. He asked what object I would think he had in taking it after having been for 30 years in the Government Service. I told him I did not know what his object might be, but I told him that I knew that he knew that I saw it. He said, " I would deny that if it were so."

I also told him that that was not the first occurrence, that I had seen him do the same thing about a year ago as near as I could remember. That time I saw him get a top out of a similar box and on top of a lot of melts, but I was quite surprised at that and hardly willing to believe my own eyes, and I have spent the balance of time watching transfers without appearing to intrude, trying to catch him, and I had him and lost him.

Mr. Downer Leech:

That instance about the top; Did you speak to anybody else about that at the time.

Mr. Morrison:

No sir I did not; I knew it was a thing that would be hard to accuse anybody of. It was a thing I could not prove, and in fact this is the same.

Mr. Downer:

Are you certain he took that top, Dick?

Mr. Morrison:

I am now, positively. At that time I was somewhat doubtful, that is, I could not believe my own eyes.

Mr. Downer:

You don't believe that top went back? Ans. No. sir

Mr. Leech:

How much would that weigh, that top?

Mr. Morrison:

Pessí-- Probably three ounces.

Mr. Leech: Gold? Ans. Yes.

Mr.
Downer:

What further occurred in your conversation with Mr. Schell when Mr. Pughe was present as to the matter, and what did Mr. Schell, if anything, say further than you have already said? Ans. Nothing further. Q. Did you say anything further? Ans. No. Q. Did Mr. Pughe say anything further? Ans. No, I believe not.

Mr. Morrison:

He let me do the talking. He listened.

Mr. Downer:

What did you next do?

Mr. Morrison:

I went into the office and reported the matter to Mr. Milsom. Mr. Pughe came in about the same time, and I told him I was reporting to Mr. Milsom, and he gave his report to Mr. Milsom, both being in there together with Mr. Milsom.

Mr. Downer:

As far as you know, Dick, has Mr. Schell said anything to you or to anybody else? Ans. No sir.

Mr. Leech:

None of the men?

Mr. Morrison:

If he has they have said nothing to me. He has said nothing to me and Mr. Pughe tells me he has said nothing to him.

Mr. Downer:

Then, Dick, that statement you make covers every important point of the affair so far as you know? There is nothing further that would throw any light on this subject. Ans. No sir, nothing further

Mr. Downer:

Have you at any time heard any of the men raise any question as to the honesty or dishonesty of Mr. Schell?

Mr. Morrison:

No sir, none of the workmen, and not until after we had reported the matter when Mr. Milsom gave both Mr. Pughe and I a statement concerning some previous suspicion of Mr. Schell.

Mr. Pughe's Testimony.

* * * * *

Mr. Downer:

Frank I wish you would state just what occurred in the Melting Room last Thursday, commencing from the time that Mr. Morrison asked you to re-weigh the load of clippings and pieces of coin, gold

Mr. Pughe:

Dick came back from the Melting Room and asked me if I would mind re-weighing the box of gold clippings which I had just sent out to the Melting Room. Schell was pulling the truck and Spencer - Joe Spencer was following behind the truck. Before they reached the door of the Melting Room Schell asked Spencer to get an empty clipping box for the next draft. When Dick asked me to re-weigh the first draft of clippings we were just taking the second draft from the transfer scales. As Schell and Spencer had finished removing the second draft from the scales to the empty clippings box, Dick brought the first box back from the Melting Rm. to the large scales of the Make Up Room.

Mr. Downer:

Right next the vault?

Mr. Pughe:

Yes. Just as they came in with the truck which was brought by Joe Spencer I turned to the scales to put the weights on. Before I reached the end of the scales where the weights are Morrison said "all right now Frank."

Mr. Downer:

During the time, or at the time, Mr. Morrison brought the truck back in front of those scales you state, where was Schell?

Mr. Pughe:

Schell was right in front of the scales as I remember, near the vault door. I think thats where he was.

Mr. Downer:

Do you know where he went from there? Ans. No I do not.

Q. You dont know where he was immediately prior to the time Mr. Morrison told you it was all right?

Mr. Pughe:

No - it was just before that I started to go around the scales and had to take two or three steps. Mr. Morrison called to me that it was all right, thats what he wanted, let it go now. I turned around to him and didn't understand the proceedings at all, and did not until a little bit after that. I followed him out to the Melting Room and he told me what he had seen.

Mr. Downer:

State just what he told you.

Mr.. Pughe:

He told me that as Mr. Schell was pulling the truck to the Melting Room he stopped to open the door. He threw the handle of the truck and reached his hand down into the ingot box which was setting inside of the Clippings box. In the ingot box there were several pieces of gold blanks and chips. He said he heard his hand rattle in the pieces there, and he saw him draw his hand away and hold two fingers like that (illustrating) and he went on into the Melting Room just a few steps and left the truck standing, started back, and put his hand to his apron pocket.

Then Mr. Morrison further said that after the box of clippings which had just been brought back into the Make Up Room (interrupted)

Mr. Milson:

To be re-weighed at his request?

Mr. Pughe:

To be re-weighed at his request. - that before he could prevent him Schell had stepped up to the box because he understood that we were going to re-weigh them and put his hand down inside the clipping box and also into the ingot box which contained the gold blanks, and as he put his hand in there Mr. Morrison said he heard a piece of coin, or heard the blank, drop from his hand.

Just at that point I was going around the scales and he called to me.

Mr. Downer:

After Mr. Morrison had told you this as you stated, do you recall what was said then? You and Morrison were together now? Ans. Yes. As I understand it you were in the Melting Room? Ans. Yes, I followed him out.

Mr. Downer:

Mr. Schell being in the Make Up Room?

Mr. Pughe:

Yes. -- Mr. Morrison and I talked for a few minutes in regard to the matter, and, upon my suggestion I think it was, we thought we had better go in and bring the matter up to Mr. Schell. We did so.

Mr. Downer:

Now Mr. Pughe as nearly as you can state who spoke and what he said and how the matter was brought to Mr. Schell, as near as you can remember it of course.

Mr. Pughe:

When we reached Mr. Schell at his desk in the Make Up Room I said to him, I said "Pete, the reason Dick called for a re-weigh of that box of gold clippings was on account of a blank being taken from the box as it was taken into the Ingot Melting Room." Schell seemed slightly surprised, and asked me who it was that took the blank according to Mr. Morrison. I told him that Dick accused him of taking it, that he saw him reach into the box as he stopped to open the door. Then Schell kind of smiled and said "Why what are you talking about?" Then Dick explained to him fully just what he had seen and told him what he had done. Then Schell said, "why boy what do you think I have been in the service thirty years for to permit myself to do an act of that kind?" Then they had a rather spirited discussion, and just then some one else came into the Make Up Room and the discussion subsided, and I withdrew to draw this other party away, and Mr. Morrison and Mr. Schell continued for some five or ten minutes. I did not hear what was said after that only in snatches, and after that Mr. Morrison told me that while I was away he had accused Schell of doing that same thing about a year ago with a box of tops, having taken, as he thought a top from the box. He was also surprised, he said he could not believe his own eyes, but he thought about it, and had not mentioned it to any one until this thing occurred Thursday.

Since then Schell has said nothing to either Mr. Morrison or myself in regard to the matter, but Mr. Morrison and myself have discussed it ~~several~~--once or twice.

Mr. Downer:

Mr. Schell has never referred to it? Ans. No. Q. You have been with him every day? Ans. Yes. Q. Not in any way? Ans. Not in any way. And yesterday Dick told me the same thing, that he had not said anything to him about it.

Mr. Downer:

Now, Mr. Pughe, did you hear at any time in ^{the} ~~your~~ talk between yourself and Morrison and Schell with reference to this transaction--did you at any time hear Mr. Schell say something like this in response to the charge "That if he had taken it he would not admit it?"

Mr. Pughe:

No I did not hear it.

Mr. Milsom:

What was Schell's attitude -- was he indignant, or what was his attitude at the time Dick accused him of it?

Mr. Pughe:

At first he seemed rather puzzled. Then he smiled, in fact kind of laughed, and tried to pass it off as being something absurd, and that Dick was certainly mistaken.

Mr. Milsom:

Did he seem at any time indignant about it?

Mr. Pughe:

Yes, he did, after they had discussed the matter for some little time. Just before this fourth party came into the room he seemed to be becoming indignant.

Mr. Downer:

This may be a pretty hard question to answer, but I think it will throw some light on the subject. I want to ask you what impression the attitude of Mr. Schell when confronted with this charge had on you as to whether he was guilty or innocent?

Mr. Pughe:

He impressed me at first as being very much puzzled and worried over the matter, but as the discussion continued he seemed to become much more calm and controlled.

Mr. Downer:

That does not quite answer my question. It is pretty hard Frank, I know that.

Mr. Pughe:

You want to know the impression he made on me by his attitude as to his innocence or guilt when confronted with this charge?

Mr. Downer:

Yes, when confronted with this charge. I regard that question as important from the fact that anybody who is actually present and hears the charge made and sees the attitude of the one charged, can much better form an opinion as to whether guilty or innocent.

Mr. Pughe:

His explanation from the beginning was not satisfactory to me to explain his actions according to Mr. Morrison's accusation.

Mr. Downer:

That's what I wanted to get at. After that as I understand it you and Mr. Morrison went and told Mr. Milson.

Mr. Pughe:-

Yes Mr. Morrison went in and they were discussing it when I came into the office.

Mr. Leech:

I was going to suggest, Mr. Downer, to ask Frank if, prior to this occurrence, there has ever been a time when he had any reason whatever for questioning the honesty of Mr. Schell.

Mr. Pughe:

Never in the slightest. Never had the least suspicion, never in anything he has said, or anything he has done or in his actions.

Mr. Downer:

Are you familiar with Mr. Schell's mode of living?

Mr. Pughe:

I am somewhat familiar with it. I have become quite intimate with he and his wife and have been at their house quite often.

Mr. Downer:

Does he get along pretty well do you judge?

Mr. Pughe:

Yes, I think he does. I think Mrs. Schell also is quite an economical woman-- person.

Mr. Leech:

Just inform me Frank - has he any income outside of his salary?

Mr. Pughe:

I don't know of any Mr. Pughe- Leech. I do know of some investment that we have made together in the last year, but up to the present there has been no income from that. I say no - there was one small dividend paid about last July.

Mr. Leech:

What I meant was had he any resources?

Mr. Pughe:

No - Well - he might. I don't know but what he has some property in California.

Mr. Milson:

About how much was the investment that you know of his making?

Mr. Pughe:

Approximately I would say about \$1500 or \$2000.

Mr. Milson:

What date was that?

Mr. Pughe:

Well, this commenced in the early part of March 1907.

Mr. Milsom:

And extended to about what time?

Mr. Pughe -

Well I would say that it extended to the early part of January of this year?

Mr. Milsom:

Running along in approximately equal monthly payments? or otherwise?

Mr. Pughe:

No, some of the payments at first were on the installment plan every two months I believe, but at times I have known that he made payments of \$500 or \$600. I know of one time the payment reached that amount.

Mr. Downer:

Now, Mr. Pughe, of course I don't want to delve into Mr. Schell's private business unduly, and I know that some of the questions that are being asked are not very pleasant for you to answer with reference to Mr. Schell. I want to ask you this - Have you any knowledge from what he said, or your own knowledge, as to where this money that he invested as you stated came from, either his own private resources or his wife's, or from source he derived the funds?
what

Mr. Pughe:

Most of it came from what he has told me from his own deposit from the bank he had his deposits in, but on one or two occasions he said his wife advanced some for him to make some payments.

Mr. Downer:

Is there anything you can tell us Frank that will throw any light on the whole thing?

Mr. Pughe:

No.- Up to this time I have not had any occasion to question his words or acts. I have been associated with him for some time and respected his honesty and integrity highly.

Mr. Downer:

Did he have any resources when he came here beside what has accumulated from his wages?

Mr. Pughe:

They had money when they came here. I don't know how much but they had some.

Confidential

MINT OF THE UNITED STATES AT SAN FRANCISCO,

SUPERINTENDENT'S OFFICE, March 5, 1906.

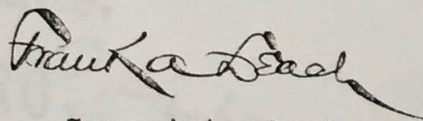
Hon. Frank M. Downer,
Superintendent U. S. Mint,
Denver, Colorado.

My Dear Mr. Downer:

Yours of the 1st inst., received. I note what you say about Enos P. Schell having been appointed to a position in your mint at the request of Mr. Preston. Schell was an employee of this institution for a great many years, working in various positions, but principally in the Coiner's Department. Personally, I have no knowledge of anything against his character other than I was frequently annoyed by creditors, or I should more particularly say, a creditor, complaining that Schell did not meet his obligation. He was dismissed at the time of the big discharge, made necessary when we finished the Philippine coinage. At one time he was under suspicion of pilfering from a fellow workman's locker, but there was little or no evidence to sustain the charge. Secret Service Officer Burns happened to be here at the time and made an investigation of the case and the facts developed were not considered sufficient to warrant his dismissal. Schell was a fairly good workman and was allowed to remain until it became necessary to reduce the force.

I would prefer that you keep this information to yourself and not even communicate it to anyone in your institution.

Respectfully yours,


Superintendent.

FAL/s



TREASURY DEPARTMENT

WASHINGTON August 27, 1910.

Mr. Frank M. Downer,
Superintendent, U. S. Mint,
Denver, Colorado.

Sir:

I beg to acknowledge the receipt of your letter of the 23rd instant in which you decline to reply to charges contained in letter of Richard C. Morrison, formerly foreman of the Ingot Melting Room of your Mint, a copy of which was forwarded to you by the Acting Director of the Mint.

While recognizing the fact that the charges emanate from a discharged employee the Department is naturally perturbed over the same, and it seems advisable that a reply should be made by you in order that some evidence in refutation of the charges shall be on file in the Department.

Respectfully,

A. Piatt Andrew
Acting Secretary.



OFFICE OF
DIRECTOR OF THE MINT
IN REPLYING QUOTE INITIALS

TREASURY DEPARTMENT

WASHINGTON August 19, 1910.

Superintendent, U. S. Mint,
Denver, Colorado.

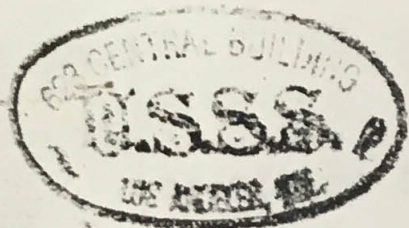
Sir:

Your letter of the 15th instant, transmitting copy of a letter addressed by you to the Melter and Refiner of your Mint relative to the excessive wastage in the ingot melting room during the fiscal year 1910, has been received.

I thank you for the great interest manifested in this matter and the thorough investigation you have made of the loss in the ingot melting room and the steps taken to prevent such losses in the future.

Respectfully,

A. B. Brewster
Acting Director of the Mint.



Treasury Department,

Secret-Service Division.

Office of Los Angeles-District,

Address:

P. O. Lock Box No.

Los Angeles, Cal. August 25th 1909.

Hon. Frank Downer,

Superintendent, U.S. Mint,

Denver, Colo.,

Sir:-

In the matter of embezzling of gold from the United States Mint, at Denver, Colo; said Mint being under your supervision, I would respectfully submit, herewith a detailed Statement as made by Charles Watson Dakin, formerly a 'melter' in the Melting and Refining Room. This statement made to me, by Dakin in response to questions, which held him to the question in point and that was how could he abstract and conceal the gold he admits he stole from the Mint, without being suspicioned or detected. I brought Dakin from the County Jail to my Office, for the purpose of getting in detail, his modus operandi., for your information now and in the future.. This is the third Melter, I have brought to the bar of Justice in past ~~six~~⁸ years; two at S.F. Cal, Mint; one an employee of over 20 years and supposed to be above even the breath of suspicion; I found 'spatters' in his vest-pocket and in a bottle in his trunk; the other carried it away in small pieces, fused it together and sold it after alloying, to destroy the identity; but found some on him and

crucibles for fusing at his house, besides recovering some he had sold. I know it is almost impossible to discover these small thefts, which is time amount to hundreds of dollars but the bridge a stealer, such as these melters, have to cross, is when they change from their working to their street clothes; this is a point most difficult to pass, as Dakin informs me and the place where he had to perform some sleigh of hand work., such as 'palming' the piece of gold in same hand with his tobacco or palming it and carrying it to his mouth, as though it were a chew of tobacco. This statement is subsequent to the one sent to the United States Attorney and goes more into detail of the method he (Dakin) used.

I had copies made from the original and will also send one copy to the United States Attorney, to attach to the one he already received from me.

An arrest of this kind and a conviction, which no doubt, will result is of in-estimable value to a Mint, as it relieve the honest employees of any suspicion and deters any other employee who is inclined to give way to temptation.

I realized from the first that it would be absolutely necessary to get a 'confession' in this Case and Dakin, with his heavy frowning, stern look, impressed me as a man who would not give up unless he was in a position, where he saw he had to., for without a confession, no one can be convicted of this crime, as no one can identify the gold nor say it was stolen from the Mint or the United States, ^{but} by the thief himself..

Trusting to meet You, personally in the near future, I remain,

Respectfully Yours,

George W. H. H. H.
Agent W. H. H. H. H.
W. H. H. H. H.

THE MINT OF THE UNITED STATES AT DENVER,

OFFICE OF THE SUPERINTENDENT,

Dec. 20th, 1909.

The Director of the Mint,

Washington, D. C.

Sir:-

I have to enclose herewith copies of my letter of August 17th, 1909, to the National Surety Company, advising its local Manager of the arrest of Charles W. Dakin, formerly Melter at this Mint, in Los Angeles, California, and of my letter of even date making a demand upon Bonding Company for the unrecovered balance of Dakin's embezzlement, in amount \$244.34.

I would explain that Dakin's sales to F. A. Senet, an Assayer of Los Angeles, consisted of two lots which the Assayer's returns show to have been of the following weights and finenesses:-

On July 24th, 1909, a lot which weighed before melting 46.46 pwt. and after melting 45.50 pwt., fineness 901 gold, no silver. The value of this would therefore be \$42.37.

The second lot sold to same party Aug. 2nd, 1909, weighed, according to Assayer's report, before melting 18.90 ounces, and after melting 17.22 ounces. The fineness was 904 $\frac{1}{2}$ gold, no silver. This would make the value of the second lot \$321.97. The account then stands as follows:-

Gross ounces stolen-45.58, of a value of \$818.77.....\$818.77

Recovered by Secret Service Operative at time
of Dakin's arrest-24.36 gross ounces of
bullion, of a value of-----\$454.43

Currency recovered, same being portion of
proceeds of bullion sold to F. A. Senet,
Assayer at Los Angeles, Calif., on July
24th, and August 2nd, 1909-----\$120.00

\$574.43

\$244.34

Respectfully,

Superintendent.

Encl.-

Treasury Department,

Secret-Service Division.

Office of Los Angeles-District,

Address:

P. O. Lock Box No.-----

Los Angeles, Cal. September 3d 1909.

Hon. Frank M. Downer,

Superintendent of the

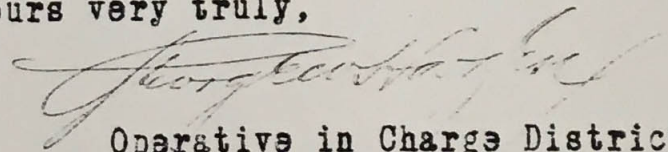
Mint of the United States at

Denver, Col.,

Sir;-

I am in receipt of your favor of the 30th. ult., in re 'the embezzlement of gold from the Denver Mint and arrest and confession of Charles W. Dakin, former melter in the refining room., and thank you for your congratulations, upon what you are pleased to call, the 'thorough manner in which I handled the Case, which should make conviction comparatively easy'. No doubt, in due time, recognition will come from our superior, the Honorable, The Secretary of Treasury, through Hon. John E. Wilkie, Chief of our Division, at Washington, D.C., Should you aid in the culmination of my success, it would be greatly appreciated,

Yours very truly,



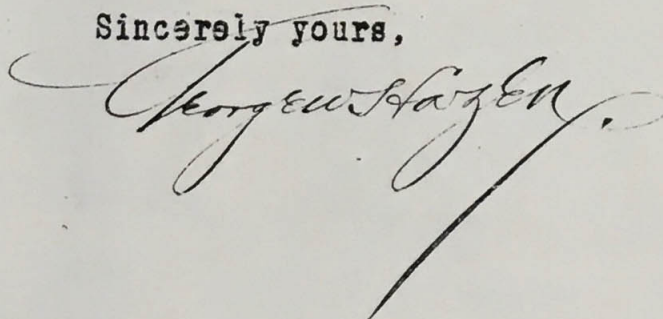
Operative in Charge District,

Sou. Cal., and Arizona.

(Personal)

Just a few words, Mr. Downer, while I take you into my confidence; candidly I am working for a 'raise' and that, I wish to obtain through my work and results. I have been for 15 years in the Secret Service of the Treasury Department; in New-York City; Seattle, Wash; San-francisco, Cal and Los Angeles, Cal., and it has been 10 years since I met with an increase in my salary., at that time I was allowed an increase for "extraordinary services rendered the Government", as my letter of notification read and since that time, I have in many cases rendered more than ordinary services and have been told and can say without egotism, that I am rated as one of the best men in the Service and naturally I look for pay, commensurate with the ability displayed and results obtained., with this explanation you will understand the closing paragraph of my 'official letter' to you. Accept my best regards and believe me,

Sincerely yours,

A handwritten signature in cursive script, appearing to read "George H. Starnes". The signature is written in dark ink and is positioned below the typed name "George Starnes". The signature is fluid and somewhat stylized, with a long, sweeping underline that extends to the right.

Copy of

STATEMENT OF

CHARLES W. DAKIN - AUG. 16th,

1909.

Cofey

STATEMENT OF CHAS. W. DAKIN, IN PRESENCE OF U. S. SECRET SERVICE
OPERATIVE, GEO. W. HAZEN, CAPTAIN P. E. FLAMMER AND R. D. HILLS, IN
CAPT. FLAMMER'S OFFICE, CENTRAL POLICE STATION, LOS ANGELES, CALIF., AUG.
16th, 1909, at 2 O'CLOCK P. M.

Questions by Mr. Hazen; Ans. Dakin.

Q. You make this statement free and voluntarily, without any promise or
hope of reward. That is right, isn't it?

A. Yes sir.

Q. Your full name is Charles W. Dakin. How old are you?

a. Fifty-three years old the first of next February.

Q. What is your position at the present time?

A. Melter, Refining Department, U. S. Mint, Denver, Colo.

Q. How long have you occupied that position?

A. I went to work in the Mint four years ago the 19th day of last April.

Q. That is in the Mint.

A. That is in the Mint. I worked from that day until the last day of
February-that would bring it 1906-in the Deposit Melting Room. Since
that date I have been in the melting room of the refining department.

Q. What do your duties consist of?

A. Melting.

Q. Gold?

A. Melting gold and silver.

Q. Melting gold deposits?

A. I was doing that when I was in the Deposit Melting Room. In the De-
posit Melting Room it is melting the different deposits that are de-
posited by the different people.

Q. In the room you are in now?

A. In the room I am in now it is melting it and getting it in shape for refining.

Q. What salary do they pay you there?

A. \$4.50 per day.

Q. What is your object in coming to Los Angeles, California?

A. I have not been in California for about 25 years. I have been wanting to come here to see some of my old friends and acquaintances and then, to tell the truth, to give me a better opportunity to get rid of what I have, if you want to know.

Q. That is what I want. To get rid of what you have,-

A. To get rid of the gold I have here and put it in money.

Q. Make that more explicit. The gold you had here,- where did you get it?

A. From the Denver Mint.

Q. Stole it from the Denver Mint?

A. Yes sir.

Q. When did you first begin stealing gold, the small particles of gold, from the Denver Mint, as near as you can tell?

A. It must have been a couple or three months or such a matter after I went into the melting room of the Refining Department.

Q. How would you steal this gold? In what manner?

A. Small pieces. Pick it up and put it in my pocket.

Q. You would have your working clothes on then?

A. Yes.

Q. And then what would you do with it?

A. Change it to my other clothes.

Q. Change it to your street clothes?

A. Change it to my street clothes; put it from one pair of pants to another.

Q. No close inspection kept of that?

A. No, no examination made.

Q. This gold you would get at different times, small pieces; what would you do with that?

A. Take it home and put it with what I had.

Q. Where would you keep it at home?

A. Hide it somewhere. Bury it.

Q. Is there any at your house now at Denver?

A. No.

Q. Sure?

A. Sure.

Q. Positive?

A. I brought everything with me.

Q. This gold you took at various times you kept until you got quite an accumulation.

A. Yes sir.

Q. Did you bring it on your trip to Los Angeles?

A. I did.

Q. Do you remember when you left Denver this last time?

A. It was on Sunday night, I think, the 18th day of July; I think Sunday came on the 18th.

Q. About the 18th day of July.

A. I think it was the 18th. It was Sunday night that I left there.

Q. This stolen gold you brought with you? When did you sell the first lot?

A. I don't remember just the exact date. It was a week or so after I first got here. I can't remember the exact date.

Q. About July 24th. I know what time it was. How much did you get for

this first lot of gold?

A. \$39.50.

Q. In what form did you get it?

A. In bills.

Q. In cash?

A. No sir, he paid me in check and I went to the bank.

Q. You received a check from that man, from Mr. F. A. Senet, in the Wilson block. Is that the man?

A. Yes sir.

Q. And did Senet go to the bank?

A. No, he sent a boy.

Q. Senet's errand boy went to the bank?

A. To identify me.

Q. Commercial National Bank?

A. I think it was; at 4th and Spring St.

Q. You were identified and got the check cashed. Did you endorse the check?

A. I did.

Q. What name?

A. C. W. Dakin.

Q. When was the next lot of gold you sold?

A. I think it was two weeks ago today.

Q. About the 2nd of July?

A. August.

Q. August I mean, the 2nd of August.

A. Yes.

Q. How much did you get for it?

A. \$310.00.

Q. And no cents?

A. No.

Q. \$310.00. In what form was that payment made?

A. Check, by Mr. Senet.

Q. What bank?

A. Commercial National.

Q. Did you cash that check?

A. I did.

Q. Did you endorse that check?

A. I did.

Q. What name?

A. C. W. Dakin.

Q. Those are the only two lots of gold you sold here in this city?

A. Yes sir, or anywhere else.

Q. Or anywhere else?

A. Yes sir.

Q. What were you doing in Senet's this morning about a quarter to ten?

A. I wanted him to melt that for me this morning.

Q. You brought in some more gold?

A. This same lot.

Q. Tell it. I want you to tell it.

A. I brought in some more gold.

Q. For the purpose of selling it?

A. For the purpose of selling it.

Q. Why didn't you sell it then?

A. He was busy. I wanted to see it melted myself so he could not see the shape it was in.

Q. You brought it enclosed in the sack?

A. Brought it in a sack. He said he was so busy he had no furnace he could melt it in for me then, and wanted me to leave it. I would not do it and told him I would be back.

Q. Why didn't you leave it?

A. I didn't want him to see it.

Q. You didn't want him to see the condition of the gold?

A. No sir.

Q. Why, would he suspect what it was?

A. I didn't know but what he might have some suspicion of something or other.

Q. Something or other what-that it was not obtained legitimately?

A. I didn't want him to see where it came from and ask any questions.

Q. He weighed it for you?

A. He did.

Q. In the sack and all?

A. In the sack and all. It weighed something like 25 ounces.

Q. These three lots of gold is all you have ever taken from the Denver Mint?

A. Yes sir.

Q. In any shape or form?

A. In any shape or form.

Q. And the value of these three lots you would set at what, approximately?

A. \$39.50 and \$310.00 and this should come to about \$350. That would amount to \$699.50.

Q. Have you any tools or apparatus used in melting gold at your present boarding or lodging place?

A. No sir, I have not.

Q. Where are you rooming at?

A. 332 South Olive.

Q. You are just rooming there?

A. Just rooming there.

Q. Did you know anybody in the house before you came here?

A. No sir, I did not.

Q. There is no one then there with you.

A. No one there with me. I am alone.

Q. Who is that man Reed I saw you with?

A. A man who used to work for the United Oil Co. at Florence, Colorado, twenty-two years ago.

Q. Well then, he is just an acquaintance.

A. Just an acquaintance.

Q. He knows nothing whatever of this stolen gold.

A. He knows nothing of it in any shape nor form.

Q. Did he ever see any of this stolen gold?

A. No sir, nor anybody else.

Q. You never offered any to anybody else?

A. No sir.

Q. Either to sell or buy.

A. Neither to sell nor buy.

Q. What baggage have you at your rooming house?

A. Trunk and a valise.

Q. Containing anything but wearing apparel?

A. That is all, knick-knacks, personal effects.

Q. Where do you live in Denver?

A. 2097 Clarkson.

Q. You own the house?

A. Oh no, just living in furnished rooms for light housekeeping.

Q. How many rooms?

A. Three rooms.

Q. I don't want to go into your personal matters. Your family lives there.

A. My family lives there.

Q. Did you intend to take any gold to San Francisco to sell?

A. No sir, that is all I have.

Q. This lot of gold I secured from Senet this morning is from the Denver Mint.

A. From the Denver Mint, yes sir.

Q. And stolen by you at various times?

A. Yes sir.

Q. And you took it to Senet for the purpose of selling it?

A. Yes sir.

Q. What is your Superintendent's name?

A. Frank M. Downer.

Q. And what is your Melter & Refiner's name?

A. Jos. W. Milsom.

Q. I found in your purse a \$20.00 bill. What money is this? (Exhibiting
gold certificate)

A. That is part of the \$310.00. In my trunk,-

Q. Which you realized from the sale of some of this gold?

A. Yes sir.

Q. Go on. In your trunk,

A. In my trunk are five twenty dollar bills, also part of this money
realized.

Q. And the rest of the money?

A. The rest of the money has been spent.

Q. I find in your purse-(exhibiting) is this gold?

A. No, a souvenir, copperite.

Q. Was that made at the Mint?

A. Those were moulded out, I think, at St Louis, at the time of the World's Fair.

Q. In your home in Denver have you any more of the gold taken from the U. S. Mint?

A. No sir, I have not.

Q. Have you any crucibles, or apparatus used to melt gold at your house?

A. No sir.

Q. You were never in any trouble before were you, Dakin, of any kind?

A. No sir.

Q. Never arrested for any offense?

A. No sir.

Q. What business were you in previous to your employment at the Mint?

A. Denver Fire Department.

Q. How long were you connected with the Denver Fire Department?

A. It lasted from the 19th day of April to the 19th day of August of being eight years.

Q. Have you ever been, previously, in the U. S. employ?

A. When I first came West, - it will soon be 33 years, 33 years in rebruary- I worked doing Government work, not exactly for the Government, but for contractors Jno. A. Benson of San Francisco, surveying work. He was the man taking all contracts. (Written by Dakin) I heard foregoing statement read, and same is true. (Signed) Charles W. Dakin.
so help me God.

Signed in the presence of:

George W. Hazen (Signed)
Paul E. Flammer "

The above is a true and correct Transcript of notes made by me in shorthand, and is a true record of questions asked and the answers thereto.

(Signed) Ralph D. Hills.

Copy

Los Angeles District-Received
Aug. 24th, 1909,
Secret Service Division.

STATEMENT OF CHARLES W. DAKIN, MADE VOLUNTARILY AND THE WHOLE
TRUTH OF THE MATTER OF EMBEZZLING GOLD FROM THE U. S. MINT, AT DENVER,
COLORADO.

Mr. Hazen. When was the first time you took gold from the Mint?

Chas.W.Dakin When I went up into the Melting & Refining Room, February 29th, 1906. I took the first piece, picked it up off the floor, a spatter from the melt; put the piece into my pocket, and at the end of my days work changed from my working clothes to my street clothes. It was done in this way: For instance I would take my tobacco from my pocket and would take the piece of gold with it. Some times when a little ball of gold would fall on the floor, I would pick it up and put it in my pocket and later on put it in my mouth, same as I would a chew of tobacco, and get it out that way. I then showed to Dakin the lot of gold I captured and the peculiar pieces among it, which could not have been "spatters". He explained that the triangle shaped pieces with holes in them (3) were called anodes used in the gold cells. These pieces were from the filters, were brought into the melting room to be remelted into anodes. They are known as "tops" picked them up and when no one was looking, put the piece into my pocket. The small smooth piece of gold is called "cathodes." At one time the foreman of the M. and R. Room would bring the long strips into the melting room to be cut up in proper lengths for the gold cells. It was then that I took the piece shown here, picked it off the floor and put it into my pocket. All the other pieces are ordinary pieces that fall to the floor or in the bottom of a crucibles. Those are from the "melts".

I took these pieces of gold in the same manner as described above.

DAKIN'S
STATEMENT
#2

No one watches closely. These pieces and all I took were taken at various times, just when the opportunity afforded. The small pieces which I sold, that were in button form, came from the pots, mostly; being the gold that would remain in the pots after we poured it. Some would run to the bottom of the pot and take the form that they were in. I had at my house when I lived #1026 SO. Washington Street, a lot of gold hid under the back porch steps in a yeast powder can. This was found one day, about a year ago, or shortly before we moved from there by my son Seelye. He came to me and told me of it. He left it there. Said he had found it under the door steps, that I had better put it somewhere else. I said to him not to say anything to anybody about it as it would cause me a great deal of trouble. Nothing was said that it was gold from the Mint, but more than likely he knew it was. Afterwards when alone I took it and buried it in the back yard, still in the same can, designated the place by a mark on the board fence. This was the time that I realized what I had done. To think that my own son thought me guilty of doing a thing of this kind, and I endeavored on two or three occasions, one time took some with me when I went to work for the purpose of returning it to the Mint, but had no way of getting the gold in without being discovered. I had at that time about approximately 35 ounces of gold, and thought if I could devise some way to get it back I would do so, but saw no chance to do that without discovery. Since this occurrence I don't believe that I took more than 10 ounces all told, and that was within the past year, making the entire lot of gold which I have taken from the Mint about 45 ounces, and I never disposed of a piece of it until I came to Los Angeles, last July, arriving here on the 22nd of July, 1909. I never gave a piece or any of the gold to any person to sell or dispose of for

me in any way, shape nor form, nor is there anyone in any manner or way connected with the Mint in any way involved with this transaction. I am solely responsible and no body else.

(Dakin was shown an article about getting the gold into his street clothes when taking a bath.)

Dakin explained that was impossible, as a person going into the bath room, taking off all his clothes, where could he keep or hide any metal? That the way he done was to leave it in my pants pocket until I was through bathing, put on my street clothes and would then change the gold piece from one pair of pants to the other; never was inspected; never had a package opened; and can truthfully say that I never took a piece of gold out in a package, but in every case as I have here described. When I moved to the Clarkson Street house, I dug up the gold in the can, not until, however, we had lost possession of our house on South Washington, which was six months after we vacated the house. I left it buried there all that time as no one knew where it was, and I thought it was safer there than anywhere else. I took it from there after we lost possession of the place, took it to my rooms where we were living, put it in my trunk until I came to Los Angeles. Had taken the gold out of the can which was rusty and put it into a coin sack (one of the Mint sacks, we used them for keeping our tobacco in) and kept it in the trunk until I came to Los Angeles. It was in the bottom of the trunk under my overcoat. I packed things on top of that. My wife helped me, but got no sight of the bag. After I got to Los Angeles I took the gold from the sack it was in, destroyed the sack, threw it down a sewer or watercloset of the house I was in. It had "U.S. Mint, Denver" on it. I then got another sack from the Commercial National Bank in Los Angeles, and put the gold into that, and that was in the sack I had when you Mr. Hazen, got it at the Assayer's Office. The first lot I took from the sack and sold to Senet, was about

2½ ounces, for which I got \$39.50. The second was about 18 and 90/1000 before melting, and lost over an ounce in the melting. I got \$310.00, both payments made by Benet with his check on Commercial National Bank. Those checks I endorsed in my name and cashed. The certificates I got showing my returns. I destroyed them.

Coming West I got into San Francisco at 2:30 P. M. and left at 8 P. M. same day, July 21st, 1909, Coast line. Had a bath and fresh clothes when there. Visited a friend of the family who gave me a letter of introduction to a friend of his in Pasadena, but I never went to see him. (letter is in the trunk.) I did not dispose of any gold in San Francisco. My trunk was checked through from Denver to Los Angeles. I did think seriously of living in California, if I could get a good position, and that was why I got those letters from the Bond Company and my friends in Denver. I did not tell them I was coming to Los Angeles. No one knew I was coming here to Los Angeles except my own folks. I had less than Ten Dollars when I landed in Los Angeles, and of course, depended on the proceeds of the sale of the gold to carry me through.

As to any woman being in any manner or way connected with my leaving Denver, Colorado, there is absolutely no truth in such a statement, as I am informed appeared in the "Denver Times." The only ones who knew I was coming to Los Angeles was my own immediate family. I intended to go to San Francisco and look around there for work and hunt some of my old friends, and through their influence and aid find something to do. I was surprised at the cost of living here and if things were no better in San Francisco, I was going to return to Denver. I had until October to look around, during the time the Mint was closed and I had to find something to do, and it was doubtful if the Mint opened up then, or until November or probably December.

I believe I have given all the details. I don't want to, nor is there any body implicated in this matter in any way, shape or form.

The foregoing six pages read to Charles W. Dakin, and few corrections made in his presence and declared to be the absolute truth and as such attaches his name.

(Signed) Charles W. Dakin (Typewriter)

Witness: Geo. W. Hazen (Tpr)

Hon A. Pratt Andrew
 Acting Secretary
 Treasury Department
 Washington D.C.

Sir:

I hear to acknowledge the receipt of your letter of the 27th relation to charges contained in a letter of Richard C. Morrison, formerly of this Mint, dated Aug 16th 1920. A copy of which was forwarded to me by the Acting Director of the Mint under date of Aug 20, 1910.

Agreeably to your direction I submit herewith - a copy in detail of the statements of Mr. Morrison in order that a refutation of charges made by him shall be on file in the Department.

I have submitted the copy of Mr. Morrison's letter of Aug 16th to Mr. Milsom, Miller & Refiner of this Mint and forward herewith - a letter from him convering some portions of the letter of Mr. Morrison.

I would say that during the first six months of this fiscal year 1910 or from July 1st 1909 to Jan 3rd 1910 coinage operations were suspended at this Mint on account of lack of bullion.

During that period I retained on duty the foreman of the various rooms among them being Mr. Morrison, who was on different occasion detailed to assist in the Deposit Melting room, which I presume, in a measure at least, accounts for his apparent familiarity with the operations in that room, and in rooms other than the ingot melting room where he was ordinarily employed, which latter room was, of course, not in operation during the shut down.

Referring first to the opening portions of the letter of Mr. Morrison I have to say that his statement as to the period of his services here is substantially correct. The date of his appointment, however was Jan 22nd 1906 instead of Feb. 22, 1906. It is also true that I had at one time some correspondence with Mr. Frank A. Leach former Director of the Mint respecting the transfer from this Mint to the Mint at San Francisco of some one as Foreman of ingot melting. As I recall I suggested the name of Mr. Morrison for such transfer. His work having been entirely satisfactory. I should say this correspondence took place some two or three years ago.

Touching Mr. Morrison's statement relative to the talk I had with him in my office on Aug 5 (the Melter & Refiner being present) I would say that I read to them* in their entirety my letters of July 15 and July 25th to the Director of the Mint respecting the wastage in the ingot melting room which up to that time were the only letters I had written on that subject. I also read to them* in its entirety the Bureau letter of Aug. 2nd 1910 directing his separation from the service, the concluding paragraph of which letter was as follows, "It is the opinion of Secretary Andrew and of the Bureau that Mr. R. C. Morrison has shown himself incompetent for this position and his services should be dispensed with - and I wish you would forward your recommendation to this effect!!"

Being desirous of according Mr. Morrison a full and just hearing in the premises. I addressed him the letter of Aug 5th (which he correctly quotes) a copy of which was also forwarded to the Bureau by me, requesting his resignation to take effect at the close of business Aug 15th and advising him that he could make a statement in the premises if he so desired, which statement I would forward to the Bureau.

He did make a statement which he also sets forth in his letter of Aug 16th and the same was forwarded by me to the Bureau under date of Aug 6th together with a copy of my letter to him of Aug 5th requesting his resignation.

My purpose, of course, in somewhat modifying the instructions of the Bureau to dispense with his services by permitting him to tender his resignation to be effective as late as the 15th inst* and to file his own statement - was to make it perfectly clear to him that I had no other desire than to furnish him every opportunity to clear and if possible with the Department and myself the matter in which he was involved.

He thoroughly understood that the date upon which his resignation was to become effective afforded the Department ample time to consider his statement and to change its ruling if it saw fit.

I come now to the specific charges set forth by Mr. Morrison in his letter of Aug 16 numerically, taking them up in order from Nos 1 to 22, making a specific reply to each one except the few which are directly applicable to the Melter and Refiner and are therefore covered by Mr. Morrison in his communication enclosed herewith -

No. 1 The superintendent does of course in a broad sense have knowledge of the methods employed and that should be employed preparatory to annual settlement in cleaning up the operation departments, but it is the practice here, and I apprehend at all Mints, to learn the details of this work to the experienced foreman of the various rooms, enjoining them as I have always done to perform the work thoroughly, recovering all metal possible.

No. 2 The reasons for the second cleanup are fully set forth in my letter to the Director of the Mint under date of July 25th 1910 and I respectfully refer you to that letter. The Superintendent of this Mint has never attempted to forestall any investigation of the affairs, nor has he ever entertained any fear of an investigation of his administration.

No. 3 and No. 4. The clean up made under my direction was of the furnace, condenser, and the one and only stack used in the ingot melting operations for the fiscal year 1910.

It was the wastage for that year that I was endeavoring to recover. If the other stacks, which had no possible connections with the 1910 operations do contain the amount of gold stated by Mr. Morrison it will be recovered at the next clean up and I am amazed that with such apparently definite knowledge as to the contents of the other stacks and in view of the wastage in 1910 operations which he admitted was very large that Mr. Morrison made no effort whatsoever to recover metal from those stacks or from any other source in the ingot room thus reducing his wastage. I am convinced that the work of cleaning up the one stack used in 1910 operations done under my direction was thoroughly performed by competent men.

No. 5 Covered by reply to No. 1.

No. 5. The statement of Mr. Morrison respecting the intention of the Superintendent is entirely gratuitous. The other stacks will certainly be thoroughly cleaned prior to the next annual settlement and such disposition be made of metal recovered. Therefore, if any, as may be directed by the settlement officers.

No. 7. Covered in Mr. Milson's letter.

I have no previous knowledge whatsoever of the matter contained in this statement of Mr. Morrison.

No. 8 I did direct that during this six months operations of the fiscal year 1910 Mr. Morrison should do actual melting. The facts with respect to this matter are as follows: During the entire period of 1910 operations in the melting room, we had barely enough gold bullion on hand or in prospect to keep that room even partly employed, by having it make, but two melts daily one in the forenoon and one in the afternoon. We used but one furnace during the entire period, therefore I did not see then, nor do I now, what Mr. Morrison could do if he did not do the melting. He had to assist him in the melting two able bodied experienced helpers, and in addition he had, at the time of the pouring of each melt, the assistance of two other men, one from the make up room and one from the sweeps cellar. This operation of pouring melt occupied from twenty to thirty minutes in the forenoon and an equal amount of time in the afternoon of each day. However, in my several

conversations with Mr. Morrison respecting his years wastage, he repeatedly

It was my desire to keep all
 members of the several departments
 working during the last months
 of the operations, ^{in 1910} even though
 with a small force, that
 induced me to consent to the
 performance of so small amount
 of work in the ingot room.
 I freely confess that the more
 economical ~~method~~ ~~was~~
 to carry on the open work in
 the ingot room at that time
 would have been to add
 two or three additional men
 to the force there and make
 four or eight melt daily instead

in handling the mulls.

It was my desire to keep all branches of the several departments working during the six months actual operations ^{in 1910}, even though with a small force, that induced me to consent to the performance of so small amount of work in the ingot room.

I freely confess that the more economical and ~~more~~ business like way ~~for me to have~~ to carry on the ~~work~~ work in the ingot room at that time would have been to add two or three additional men to the force there and make six or eight mulls daily instead

Roll out of officers

William

35. 24

of two. That course, would, however, have rendered it imperative to furlough without pay frequently and for considerable periods the ingot room men. ~~We are at the present time making two ingot melts daily with one~~

We are at the present time making two gold ingot melts daily with one less man than was used during the last fiscal year. and the men there I know are having a comparatively easy time

No 9. This statement is covered
in my reply to No. 8.

But I will say that at
no time was it necessary
for but one man to be
with the metal in the
ingot room, and if such
~~was~~ were ever the case I
had no knowledge of it
and it would have been
a flagrant violation
of one of the strictest
rules of this institution

TREASURY DEPARTMENT.

No 10

This statement is absolutely
with ^{out} foundation

As all recoveries of
bullion from deposit
Melting room sweeps
by the Melting & Refining
have been accounted
for to me by that office

TREASURY DEPARTMENT.

No 11.

Covered by letter of
Mellin & Refuser

No. 12

Covered by letter of
Mellin and Refuser
but I wish to verify
and emphasize and
his explanation that
these very small amount
which Mr. Morrison ^{says} are
marked "velvet" absolutely
belong to the MTR, being
small particles from bars, for the
full weight of which he had already
been cleared

TREASURY DEPARTMENT.

No 13.

To Expedite the sampling of bullion,
and especially bars so hot as to be not ready
for accurate weighing after melting, the Assayer
has for sometime been permitted to clip them
before the Weigh Clerk has weighed them after
their receipt from the melting room, but the clip
has been most carefully weighed in every instance by
the Assayer and Weigh Clerk jointly, as has the bar
a little later after clipping, and the statement that
in each weighing one hundredth of an ounce has
inured to the Assayer or been lost to the depositor
is preposterous. Nor is it the practice to scatter
or drop grains in process of sampling. They are all
carefully gathered and added to the weight of the
Assayer's clip. ~~However, it~~

No 14.

Very seldom any
allowance whatever.

When allowance is made for
adhering foreign ~~metal~~
material as the regulations
provide the amount is
strictly ascertained by the
weigh clerk and assayer

No 15.

The Regulation governing the transit of bullion to and from the Deposit Melting Room in locked boxes, is strictly followed at this institution. The only bullion not conveyed from the Deposit Melting Room is large bars, ^{that} cannot be accommodated in the locked boxes and which it would be impracticable to so handle. *m.*

No. 16. ^{This} Statement of Morrison is without semblance of fact. Slag ^{is} ground in modern mill and melted, being then poured in conical mould, the resultant button ^{of pure} settling clear at the apex of the cone.

(Ed. May 10-07-500,000.)

~~with~~ ~~A~~ ~~There are~~ ~~presently~~ ~~employed a~~ ~~foreman~~
 17. Working foreman and two melters in the
 Deposit Melting Room. The work varies from
 day to day according to number of deposits.
 On very heavy days, ^{an} additional man, supplied
 as helper and cleaner, ^{the} force is entirely ample
 and ^{has had} no complaint from foreman of this
 room. a

18. Thorough clean up and tearing out of Deposit
 Melting Room furnace and adjoining surfaces
 is made from time to time. Steels ~~have~~ never
 been overhauled for full length because this
 room does not shut down annually for
~~clean~~ settlement, and nothing in the steels enters
 into the accounts. They ~~are~~ of course, be
 cleaned and scraped at any time, but it would
 be an unwarranted expenditure to mutilate
 these steels very often ^{and} require ^{more or less}
 extensive ^{expansion of the} ~~amount~~ of deposits as
 to do.

Answer

TREASURY DEPARTMENT.

No. 19. Sweep Cellar was not in operation during first half of fiscal year 1910. Upon return to duty ~~of mine~~ from six months furlough of ~~the~~ Foreman Smith of ^{the} Sweep Cellar he immediately started treatment of accumulated sweeps from Deposit Melting Room, and my letter of Oct. 10, 1910 and March 29, 1910, to ^{Chief} Director of Mint, discussed disposition of metal removed from these Deposit Melting room sweeps.

No. 20. ^{This} is first part of statement covered in my answer to No. 13. Latter part of statement covered by letter of Melted and Refined.

No. 21. I ^{willingly} assume all responsibility for the number of employees ordinarily furnished the different Departments. I have as yet received no complaints as to embarrassing scarcity of help from responsible heads of Departments which have not been promptly and fairly considered, and if found meritorious, had my best efforts to remedy.

~~Answer.~~ I do not altogether understand the reference of Mr. Morrison to the Assays Department

unless it be that he alludes
to two men who are now
on leave, one of them without
pay, and both of whom
are suffering from bodily
ailments, which have no
connection with their work
at this mint

TREASURY DEPARTMENT.

No. 22 I think my replies to Mr. Morrison's statements Nos. 1, 2 + 3 cover this. In addition I desire to say that at no time did I express any "expectation" regarding the procedure after these 25 melts were made. It was entirely unnecessary. The heavy wastage still existed and it was reasonable to presume that Mr. Morrison would recover all possible metal - from these or any other melts.

This concludes my specific replies to the twenty-two charges of Mr. Morrison relative to the administration of the affairs of this Mint by its Superintendent. Recognizing, as I do, the ~~malicious and hostile~~ character of his specifications I have, nevertheless, endeavored to meet each one clearly, ~~fully~~ and without the slightest evasion, and if in any case it appears to you they have not been so met by me, I would greatly appreciate it if you will frankly so advise me.

TREASURY DEPARTMENT.

Hon G. Piatt Andrew,
Acting Secretary
Treasury Department

Washington DC

Sir

I have to acknowledge the receipt of your letter of the 27th inst relative to charges contained in a letter of Richard C. Morrison, formerly foreman of the Ingot melting room of this mint, dated Aug 16th 1910.

~~Attached~~ a copy of which was forwarded to me by the Acting Director of the mint & under date of Aug 20 1910

Agreeably to your direction I ~~will~~
~~have to~~ submit herewith - a reply in detail to the statements of Mr. Morrison

in order that ~~some evidence~~
 a refutation of charges made by
 him shall be on file
 in the Department.

I have submitted the copy
 of Mr. Morrison's letter of Aug 16th
 to Mr. Milson, ^{Mellin's Refiner of this mint} and forward
 herewith a letter from him
 covering some portions of the
 letter of Mr. Morrison.

I would say that during the first
 six months of the fiscal year 1910
 or from July 1st 1909 to Jan 3rd 1910
 coinage operations were suspended
 at this mint on account of lack
 of bullion. During that period
 I retained on duty the foreman
 of the various rooms among them
 being Mr. Morrison, who was ~~also~~

on different occasions
~~to~~ detailed to assist in the
Deposit melting room, which I
presume, in a measure at least,
accounts for his apparent familiarity
with the operations in that room,
and in rooms other than the
ingot melting room, ^{where he was ordinarily employed} which latter
room was, of course, not in operation
during the shut down.

Referring first to the opening portion
of the letter of Mr. Morrison I have to
say that his statement as to ~~his~~ the
period of his service here ~~was~~
substantially correct. The date
of his appointment, however was
Jan 22 ^{not} 1906 instead of Feb 22
1906. It is also true that I
had at one time some correspondence
with Mr. Frank A. Leach former

Director of the mint respecting
the transfer from this mint
to the mint at San Francisco
of some one as Foreman of
ingot melting. As I recall I
suggested the name of Mr. Morrison
for such transfer. His work
having been entirely satisfactory.
^{Said this correspondent took place}
I should ^{say} some two or three years
ago.

Forcing Mr. Morrison's statement
relative to the task I had
wish - him in my office on
Aug 5th (the Miller & Reiman
being present) I would say
that I read to him in their
entirety my letters of July 15th
and July 25th to the Director
of the mint respecting the

Wastage in the ingot
melting room, which up to
that time were the only letters
I had written on that subject.

I also read to him in its
entirety the Bureau letter
of Aug 2nd 1910 directing his
separation from the Service,
the concluding paragraph
of which letter was as follows

" It is the opinion of Secretary
Andrew and of the Bureau that
Mr. R. E. Morrison has shown
himself incompetent for this
position and his services should
be dispensed with - and I wish you
would forward your recommendation
to this effect "

Being desirous of according
Mr. Morrison a full and just
hearing in the premises,

I addressed him the letter
of Aug 5th, (which he correctly
quotes) a copy of which was
also forwarded to the Bureau
by me, requesting his resignation
to take effect at the close
of business Aug 15th, advising
him that he could make a
statement in the premises
if he so desired, which
statement I would forward to
the Bureau. He did make
a statement, which he also
sets forth in his letter
of Aug 16th and the same

was forwarded by me to
the Bureau under date
of Aug 6th together with
a copy of my letter ^{to him} of Aug 5th
requesting his resignation.

My purpose, of course
in somewhat modifying the
instructions of the Bureau
to despatch with his services
By permitting him to ~~resign~~
~~submit~~ tender his resignation
to be effective as late as the
15th inst and to file his own
statement thereon - was to
make it perfectly clear to him
that I had no other desire
than to furnish him every
opportunity to clear up if possible

with the Department and myself.
the matter in which he was
involved.

He thoroughly understood that
the date upon which his
resignation was to become effective
afforded the Department ample
time to consider his statement
and ~~amended~~ to change its
ruling if it saw fit.

I come now to the specific
charges set forth by Mr. Morrison
in his letter of Aug 16 numerous,
taking them up in order,
from No 1 to ~~20~~ 22, making
a specific reply to each one
except the few which are
~~so~~ directly applicable to the
matter of Refiner and are therefore

TREASURY DEPARTMENT.

Covered by Mr. Milson in
his communication enclosed
herewith—

No 1 The Superintendent
does of course in a broad
sense have knowledge
of the methods employed,
and that should be employed
preparatory to annual
settlement in cleaning
up the operation department.
but ~~as~~ it is the practice
here, and I apprehend
at all times, to leave the
details of this work to the
experienced foremen of
the various rooms, employing
them as I have always
done to perform the

TREASURY DEPARTMENT.

1
work thoroughly, recovering
all metal possible.

No 2

The reasons for the second cleanup are fully set forth in my letter to the Director of the Mint under date of July 25th 1910. and I respectfully refer you to that letter. The Superintendent of this mint has never attempted to forestall ~~and~~ any investigation of his affairs, nor has he ever entertained any fear of ~~such investigation~~ of an investigation of his administration of ~~the~~

TREASURY DEPARTMENT.

No. 3, and No 4

The clean up made under my direction was of the furnace, condenser, and the one and only stack used in the ingot melting operations for the fiscal year 1910.

It was the mistake for that year that I was endeavoring to recover. If the other stacks, which had no possible connection with the 1910 operations do contain the amount of gold stated by Mr. Morrison it will be recovered at the next clean up and I am amazed that men - such apparently ^{the contents of the stacks} ~~definite~~ ~~knowledge~~ and in view

as to the contents of the other stacks

of the mustangs in 1910
operations which he admitted
was very large. That Mr. Morrison
made no effort whatsoever
to recover metal from those
stacks or from any other
source in the ingot room
thus reducing his mustangs.

I am convinced that the
work of clearing up the ^{one} stack
used in 1910 operation
done under my direction,
was thoroughly performed by
competent men.

No 5

Covered by reply to

No 1,

The

of Mr. Morrison

No 6.

~~His~~ statement, ~~as to that~~
respecting~~it is~~ the intention of theSuperintendent is entirely
gratuitous. The otherstacks will certainly be
thoroughly

cleaned prior to the

next annual settlement

and such disposition

be made of metal recovered

therefrom, if any, as may

be directed by the

settlement officers

TREASURY DEPARTMENT.

No 7

Covered in Mr. Wilson's
letter.

I have no previous knowledge
whatsoever of the matter
contained in this statement
of Mr. Morrison.

No 8.

the six months operations
— I did direct that during
of the fiscal year 1910 Mr.

Morrison should do actual
minting. The facts with
respect to this matter are
as follows.

~~These~~ During the entire
period of 1910 operations
in the mint room, we had
barely enough gold bullion
on hand or in prospect to
keep that room ^{even} partly
employed, by having it
make, but two mints—
daily one in the forenoon
and one in the afternoon

TREASURY DEPARTMENT.

We used but one ^{furnace} during
the entire period, therefore
I did not see them, nor do
I now, what Mr. Morrison
could do if he did not do
the melting. He had to assist
him in the melting two able
bodied experienced helpers.
and in addition he had,
at the time of the pouring
of each melt the assistance
of two other men one from
the make up room and
one from the sweeps cellar.
This operation of pouring
melt occupied from twenty

TREASURY DEPARTMENT.

To thirty minutes in the
 forenoon and an equal
 amount of time in the
 afternoon. ^{of each day} However, in my
 several conversations with Mr.
 Morrison respecting ~~the~~ his years
 wastage, he repeatedly
 stated to me and ^{in the presence}
~~admitted both~~ that the wastage
 was large, that he could
 not account for it, that the
 work of the room had been
 exceedingly light and for this
 last reason especially, he was
 at a loss to explain the
 excessive wastage as he had
 abundance of time to
 exercise the utmost care

of that Christ Clerk Mr. Lee.

Mr. Schell's Testimony, Mr. Mousens Testimony, Letters pertaining to: Approx 1924

